

G275
B8
1993/94
summ.
c.3

Governor's
Budget
Summary
1993-94



Pete Wilson
Governor
State of California



Governor's Budget Summary 1993-94



Submitted by

Pete Wilson

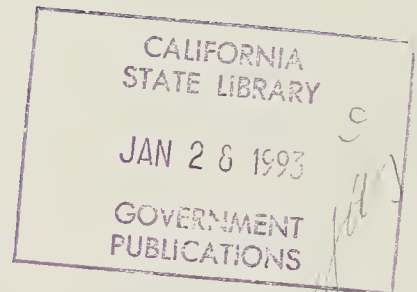
Governor

State of California

to the

California Legislature

1993-94 Regular Session



Contents

Governor's Message	Schedule 3B	Comparison of California's Current Fund Structure to Recommended GAAP Fund Classifications
Director of Finance's Message		
Organization Chart Executive Branch		
1 Budget Outlook	Schedule 4A	Personnel Years and Salary Cost Estimates
11 Economic Outlook		
17 Revenue Estimates	Schedule 4B	Positions and Salary Cost Estimates
33 Reinventing State Government		
43 The State and Local Fiscal Relationship	Schedule 5	Summary of State Population, Employees and Expenditures
47 Elementary and Secondary Education	Schedule 6	General Fund Analysis of Change in Reserves
53 Higher Education	Schedule 7	General Fund Statement of Financial Condition
59 Health and Welfare		
79 Public Safety	Schedule 8	Comparative Statement of Revenues
87 Environmental Quality		
91 Business, Transportation and Housing	Schedule 9	Comparative Statement of Expenditures
97 Trade and Commerce	Schedule 9A	Proposition 98 General Fund Guarantee
101 Natural Resources		
107 General Government	Schedule 10	Summary of Fund Condition Statements
 Appendix	Schedule 11	Statement of Cash and Securities
1 Budgetary Process	Schedule 12	Statement of Bonded Debt
2 Glossary of Budget Terms	Schedule 13A	State Appropriations Limit Summary
7 Description of Key Schedules		
9 Description of Fund Classifications in the State Treasury	Schedule 13B	Statement of Revenues to Funds Excluded from the State Appropriations Limit
 Schedules	Schedule 13C	Non-Tax Revenues in Funds Subject to the State Appropriations Limit
Schedule 1		
General Budget Summary	Schedule 13D	Transfers from Excluded Funds to Included Funds
Schedule 2		
Total State Spending Plan	Schedule 13E	Expenditures Excluded from the State Appropriations Limit by Agency
Schedule 3A		
Total State Spending Plan by Generally Accepted Accounting Principles (GAAP) Fund Classifications		



Digitized by the Internet Archive
in 2012 with funding from
California State Library Califa/LSTA Grant

<http://www.archive.org/details/governorsbudgets1993cali>



PETE WILSON
GOVERNOR

State of California
GOVERNOR'S OFFICE



January 8, 1993

To the Senate and Assembly of the California Legislature:

I submit for your consideration the Governor's Budget for 1993-94.

Since May 1990, California has lost over 800,000 jobs, which is over 6 percent of the state's total payroll. These job losses result from the restructuring of the global economy, from substantial reductions in federal assistance, especially aerospace and defense contracts, and many other factors. These job losses have had a dramatic impact on state and local revenues.

Clearly, the key to restoring the state's fiscal health is retaining and expanding California jobs. This budget is only part of a broader effort to make California competitive in the global economy, so that future generations may maintain and improve the lifestyle that has brought millions to the Golden State.

Now, more than ever, it is incumbent upon all of us to work together to make these difficult decisions so that California's future can be as bright and prosperous as its people deserve. Together we can lead our State through these difficult times and build a solid foundation for our children and the generations that will follow.

I look forward to your responsible leadership throughout 1993.

Sincerely,

A handwritten signature in black ink that reads "Pete Wilson".

PETE WILSON

STATE OF CALIFORNIA

DEPARTMENT OF FINANCE

OFFICE OF THE DIRECTOR
STATE CAPITOL, ROOM 1145
SACRAMENTO, CA 95814-4998



THOMAS W. HAYES
DIRECTOR

January 8, 1993

Dear Governor:

As Director of Finance, I submit to you the 1993-94 Governor's Budget.

The budget is balanced, as required by the California Constitution, contains a small reserve for economic uncertainties, and contains no new taxes.

The state's fiscal condition is a direct result of the loss of over 800,000 California jobs since May 1990. The key to restoring the state's fiscal health lies in efforts to retain and expand California jobs.

Because of the continued weakness in the state's economy, this budget contains reductions that are painful but necessary. The current restructuring of the global economy, combined with dramatic increases in California's population, will fundamentally alter the financing and management of state and local services throughout the 1990s.

While this was an extremely difficult budget to develop, my job would have been impossible without the professional commitment from the staff in the Department of Finance. They truly are an outstanding group, and I want to take this opportunity to thank all of them for their contribution.

Sincerely,

A handwritten signature in black ink, reading "Thomas W. Hayes". The signature is written in a cursive, flowing style.

THOMAS W. HAYES
Director

The organizational chart of the State of California, 1975, is structured as follows:

- GOVERNOR PETE WILSON**
 - GOVERNOR'S OFFICE** (CHIEF OF STAFF)
 - STATE CONTROLLER
 - STATE TREASURER
 - STATE BOARD OF EQUALIZATION
 - ATTORNEY GENERAL (Department of Justice)
 - SECRETARY OF STATE**
 - INSURANCE COMMISSIONER (Department of Insurance)
 - BOARD OF REGENTS
 - BOARD OF EDUCATION
 - TRUSTEES OF STATE COLLEGE AND UNIVERSITY SYSTEMS
 - BOARD OF GOVERNMENT, COMMUNITY, AND COLLEGES
 - CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
 - DEPARTMENT OF FINANCE**
 - SECRETARY OF FINANCE
 - DEPARTMENT OF FINANCE
 - SECRETARY OF HEALTH AND WELFARE**
 - DEPARTMENT OF HEALTH AND WELFARE
 - DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS
 - DEPARTMENT OF AGING
 - DEPARTMENT OF SOCIAL SERVICES
 - DEPARTMENT OF HEALTH SERVICES
 - OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT
 - DEPARTMENT OF MENTAL HEALTH
 - HEALTH AND WELFARE CENTER
 - SECRETARY OF FOOD AND AGRICULTURE**
 - DEPARTMENT OF FOOD AND AGRICULTURE
 - DEPARTMENT OF AGING
 - DEPARTMENT OF SOCIAL SERVICES
 - DEPARTMENT OF HEALTH SERVICES
 - OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT
 - DEPARTMENT OF MENTAL HEALTH
 - HEALTH AND WELFARE CENTER
 - SECRETARY OF TRADE AND COMMERCE**
 - WORLD TRADE COMMISSION
 - DEPARTMENT OF COMMERCE
 - SECRETARY OF CHILD DEVELOPMENT AND EDUCATION**
 - DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
 - DEPARTMENT OF CORPORATIONS
 - DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
 - DEPARTMENT OF MOTOR VEHICLES
 - OFFICE OF SAVINGS AND LOAN
 - SECRETARY OF BUSINESS, TRANSPORTATION AND HOUSING**
 - DEPARTMENT OF STATE BANKING
 - CALIFORNIA HIGHWAY PATROL
 - DEPARTMENT OF REAL ESTATE
 - DEPARTMENT OF TRANSPORTATION
 - STEPHEN P. TEALE DATA CENTER
 - SECRETARY OF YOUTH AND ADULT CORRECTIONAL AGENCY**
 - DEPARTMENT OF THE YOUTH AUTHORITY
 - BOARD OF PRISON TERMS
 - BOARD OF CORRECTIONS
 - SECRETARY OF RESOURCES**
 - CALIFORNIA COASTAL COMMISSION
 - DEPARTMENT OF CONSERVATION
 - DEPARTMENT OF BOATING AND WATERWAYS
 - CALIFORNIA CONSERVATION CORP'S
 - BAY CONSERVATION AND DEVELOPMENT
 - DEPARTMENT OF FISH AND GAME
 - DEPARTMENT OF PARKS AND RECREATION
 - DEPARTMENT OF WATER RESOURCES
 - DEPARTMENT OF FIRE PROTECTION
 - SECRETARY OF ENVIRONMENTAL PROTECTION AGENCY (Cal-EPA)**
 - AIR RESOURCES BOARD
 - INTEGRATED WASTE MANAGEMENT BOARD
 - DEPARTMENT OF PESTICIDE REGULATION
 - STATE WATER RESOURCES CONTROL BOARD
 - DEPARTMENT OF TOXIC SUBSTANCES CONTROL
 - OFFICE OF ENVIRONMENTAL HEALTH HAZARD ASSESSMENT
 - SECRETARY OF STATE AND CONSUMER SERVICES**
 - PUBLIC EMPLOYEES' RETIREMENT SYSTEM
 - FRANCHISE TAX BOARD
 - DEPARTMENT OF CONSUMER AFFAIRS
 - TEACHERS' RETIREMENT SYSTEM
 - FAIR EMPLOYMENT AND HOUSING
 - OFFICE OF FIRE MARSHAL**
 - DEPARTMENT OF GENERAL SERVICE
 - STATE PERSONNEL BOARD
 - DEPARTMENT OF VETERANS AFFAIRS
 - BUILDINGS STANDARDS COMMISSION
 - CALIFORNIA MUSEUM OF SCIENCE AND INDUSTRY
- LEUTENANT GOVERNOR**
- ARTS COUNCIL**
- MILITARY DEPARTMENT**
- STATE PUBLIC DEFENDER**

НАША РАБОТА — ЭТО ВАША РАБОТА

Budget Outlook

At the midpoint of the 1992–93 fiscal year, the State's fiscal condition continues to deteriorate. California is currently suffering from the most severe economic downturn since the 1930s, resulting in substantial reductions in State revenues. Even after the economy recovers, California can expect expenditures to outstrip revenues. This will require the State to fundamentally rethink its obligations and to create new methods of financing and managing public programs.

The Governor's Budget also highlights job creation and retention as the foremost issue facing the State in the 1990s.

The Budget Outlook

The 1992–93 budget agreement was based on the assumption that the State's economic condition would stabilize in late 1992 and begin a modest recovery in early 1993. This economic forecast was on the conservative side of the consensus view held by most private and public economists in the spring of 1992.

Clearly, the economy's weakness has exceeded the expectations of all but a handful of economists. Although the national economy is beginning to show some tentative signs of recovery, these gains are as yet too tentative to predict a sustained, let alone vigorous, recovery. The State's economy, on the other hand, shows no signs of recovery. Employment losses continue to mount, housing and construction activity remain at recession levels, and retail sales are extremely weak. Even though the Department of Finance now forecasts a weak recovery beginning in early 1994, it may be well into 1996 before employment returns to pre-recession levels.

1992–93 Outlook Continues to Deteriorate. The economy's weakness translates directly into large revenue shortfalls. In the 1992–93 fiscal year, actual cash receipts through November 1992 were \$580 million, or 3.9 percent, below the level forecast in the 1992 Budget Act. Since 1992–93 revenues are derived disproportionately from calendar year 1992 economic activity, there is virtually no possibility that the economy will recover quickly enough to have a significant impact on current year revenues. Consequently, General Fund revenues for 1992–93 are forecast \$2.5 billion below budgeted levels.

At the same time, current year General Fund spending is forecast to exceed budgeted levels by \$30 million. The primary causes of these costs are increases in Medi-Cal and corrections caseload, as well as significant shortfalls in the receipts of budgeted federal immigration funds. These costs are offset significantly by moderating enrollment growth in K–12 education programs.

These revenue shortfalls and spending increases will cause the State to end the current year with a deficit estimated at \$2.1 billion.

Revenue Declines Will Limit Spending. The length and severity of the recession, the expiration of temporary tax measures enacted in 1991, and the repeal of the sales and use tax on snack foods by the voters in November 1992 will reduce 1993–94 General Fund revenues below the current year level. Budget year revenues and transfers are proposed at \$39.9 billion, a reduction of \$1.07 billion, or 2.6 percent from 1992–93.

Table 1-1 shows that after paying off the 1992–93 deficit, \$37.8 billion will be available for General Fund purposes in 1993–94. Of this amount, \$15.2 billion will be dedicated for purposes required by the California Constitution. These include support of K–14 education programs required by Proposition 98, payment of principal and interest on State general obligation bonds, reimbursement of local agencies for losses of property tax revenues resulting from the homeowner's exemption, and reimbursement of local agencies for State-mandated local programs. The remaining \$22.5 billion will be available for all other General Fund programs, including health and welfare programs, higher education, public safety, and State operations. This is \$151 million less than the amount spent on these programs in the current fiscal year.

At the same time that General Fund resources available for support of non-constitutional programs is decreasing, demand for these services continues to increase. Table 1-2 shows that caseload increase would require substantial increase in funding to maintain the same level of services for many State programs. Without revenue growth to support this caseload growth, the level of services provided in many of these programs must be reduced substantially in the budget year. The State's ability to achieve these reductions, however, is limited by a variety of federal and court mandates, particularly in health and welfare program areas.

Table 1-1
Available General Fund Resources
1993-94

(Dollars in Millions)

Revenues and Transfers	\$39,874
Less:	
Pay-Off 1992-93 Deficit	—2,100
Available Resources	\$37,774
Less Constitutional Requirements:	
Proposition 98	\$13,139
Debt Service	1,590
Homeowner's Exemption	363
State Mandates	150
Total	\$15,242
Resources Available for Non-Constitutional Programs	\$22,532
Non-Constitutional Expenditures, 1992-93	22,683
Change from 1992-93	
Amount	—\$151
Percent	—0.7

Table 1-2
Caseload and Funding Changes in
Major Non-Constitutional Programs
1993-94 Increase Compared to 1992-93
(General Fund)

(Dollars in Millions)

	<i>Recipients</i>	<i>Cost</i>
AFDC (average monthly caseload)	50,400	\$116
SSI-SSP	52,600	—24
Medi-Cal (eligibles)	380,600	812
University of California	2,700	17
California State University	10,000	47
State Prisons	6,270	103

match the growth of that age group during the 1980s. This in turn will limit employment growth. It is estimated that non-farm payroll employment, which grew by 28 percent in the 1980s, will grow only 16 percent in the 1990s.

Federal fiscal policies also will have a negative impact on the State's economy. The enormous federal budget deficit will greatly limit the ability of Congress and the incoming administration to use fiscal policy to stimulate economic growth. California also stands to lose more from reductions in federal military spending than it stands to gain from expanded federal spending for State and local infrastructure. Consequently, the State's long-term economic growth, along with State revenues, is likely to be modest compared to the previous decade.

Notwithstanding the performance of the economy, it is estimated that State spending under current programs will grow more rapidly than revenues. Much of this spending growth results from increases in enrollment and caseload. K-12 school enrollments, for example, which grew 23 percent in the 1980s, are forecast to increase 37 percent in the 1990s. AFDC caseload, which increased 14 percent in the 1980s, is forecast to increase 61 percent in the 1990s. The number of Medi-Cal recipients, which increased 27 percent, is estimated to increase 98 percent in the 1990s. Growth in the prison population, which increased over 300 percent during the 1980s, is expected to moderate, growing 58 percent during the 1990s.

As a consequence of this caseload growth, expenditure growth will outstrip revenue growth throughout the 1990s, even after the recession ends. Figure 1-A compares General Fund revenues and expenditures for the next ten years. While General Fund

Long-Term Outlook. Even after the current economic recession ends, a variety of structural factors in the State's economy will likely limit economic growth below the levels experienced in the 1980s. Although the working-age population will continue to grow, it will not

revenues are estimated to grow to \$68.5 billion in 2001-02, expenditures are anticipated to grow to \$83.4 billion. The State's annual operating deficit, left unchecked, would grow to \$14.9 billion. Figure 1-B displays these estimates in percent growth terms.

Figure 1-A

General Fund Revenues and Expenditures
1992-93 through 2001-02

(Dollars in Billions)

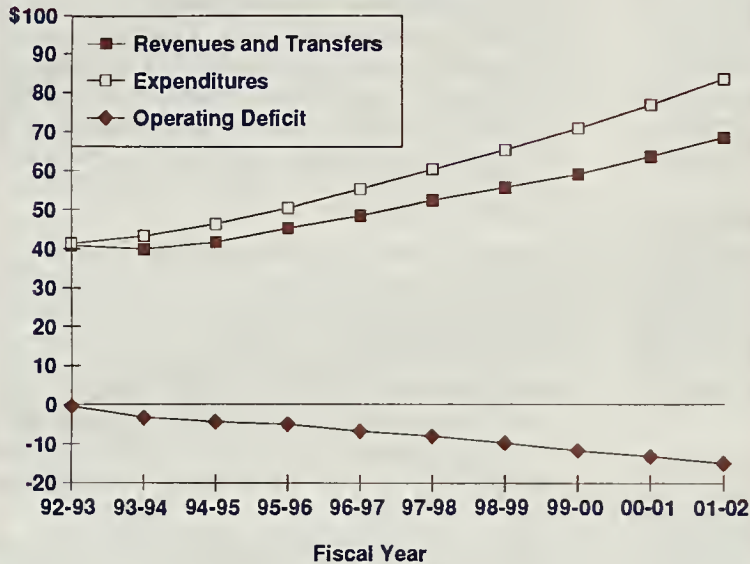
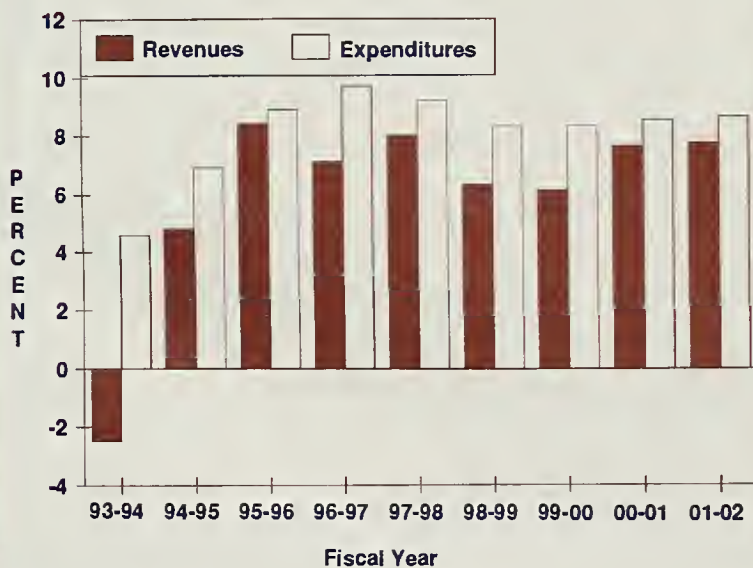


Figure 1-B

General Fund Revenue and Expenditure Growth
1993-94 through 2001-02



Primary Features of the Governor's Budget for 1993-94

The Governor's Budget for 1993-94 reflects the Administration's view that full recovery from the recession probably lies beyond the budget year and that economic growth will remain modest even after the recovery arrives. Limited revenue growth, coupled with rapidly expanding demands for education, health and welfare services will require the State of California to rethink its fundamental obligations and to create new methods of financing and managing programs. Toward these ends, the Governor's Budget has the following primary features:

- **It is balanced.**
- **It contains no tax increases.** California already has a high level of State taxation, and its combined State and local tax burden has increased significantly in recent years. Increasing revenues alone cannot address the widening structural gap between expenditures and revenues. Consequently, the budget proposes no new taxes or tax increases. In addition, the budget proposes allowing temporary tax provisions enacted in the 1991-92 fiscal year to expire at the end of 1992-93.
- **It contains a reserve of \$31 million.** A prudent reserve is desirable to protect the State from revenue shortfalls and increased expenditures. Providing a larger reserve in the budget year, however, would require tax increases or spending cuts that could further damage the State's economy and jeopardize the delivery of essential services. The Administration has concluded that such alternatives are less desirable than a smaller reserve.
- **It contains no new fee increases.** The budget contains no fee increases other than those required by law. It is anticipated, however, that the Regents of the University of California, the Board of Trustees of the California State University and the Board of Governors of the

California Community Colleges may seek to increase student fees to provide additional resources.

- ***It makes clear policy choices.*** After several successive years of "unallocated" or "across-the-board" reductions, most State programs and departments have made substantial reductions in the level of services. Further reductions of this sort will simply reduce the effectiveness of remaining programs. The Governor's Budget for 1993-94 avoids the use of such reductions and instead offers clear policy choices. Lower priority programs are identified and their funding is substantially reduced or eliminated. In keeping with this principle, the budget proposes suspending application of the so-called "trigger" legislation enacted in 1990.
- ***It establishes K-12 education as the State's first priority.*** Notwithstanding the State's financial difficulties, the budget proposes maintaining K-12 school district revenues at the same level received in 1991-92 and 1992-93: \$4,187 per ADA. It does so by fully funding the Proposition 98 guarantee and by providing school districts an additional \$375 million in the form of a loan.
- ***It continues and expands the Administration's commitment to preventive government.*** The budget continues to expand State funding for pre-school services, the Healthy Start program and the Early Mental Health program. In addition, the budget continues funding for new prenatal and drug prevention services established in the 1991-92 and 1992-93

fiscal years. Finally, the Administration will initiate this year a significant restructuring of the child welfare services out-of-home care system.

- ***It proposes a new method of budgeting for State programs.*** The State's traditional budgeting process, based on the so-called "workload budget", was designed to allocate resources in a time of increasing revenues. This process has become seriously dysfunctional as revenues have declined. The Governor's Budget proposes to pilot test a different method of budgeting, known as performance budgeting. Under this concept, departments would enter into annual budgetary contracts, which would emphasize long-term strategic planning, organizational performance, customer satisfaction, public accountability, and operational flexibility.
- ***It requires early legislative action.*** Two major components of the budget will require enactment of legislation in the current fiscal year. First, the budget assumes enactment of various welfare reforms by March 1, 1993. Second, the budget proposes eliminating the renters' tax credit for the 1992 and 1993 tax years. The credit for 1992 must be repealed by April 15, 1993, and should be repealed as soon as possible to minimize taxpayer confusion and compliance problems.

Early action on these items is needed in order to avoid even more difficult choices later in the budget process.

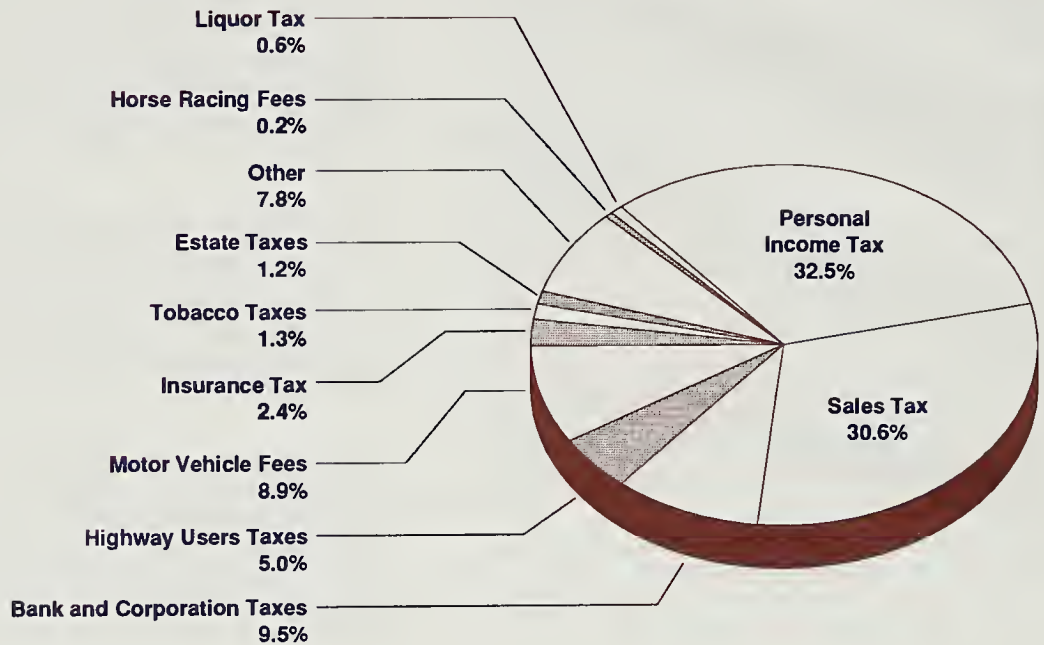
THE JOURNAL OF THE
ROYAL ANTHROPOLOGICAL INSTITUTE



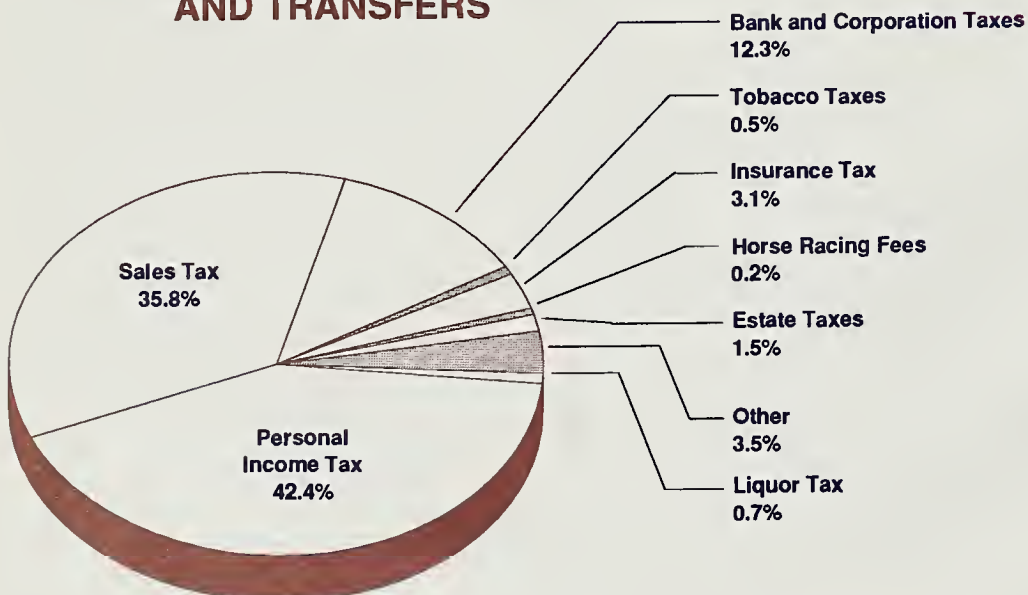
REVENUES

1993-94 FISCAL YEAR

TOTAL REVENUES AND TRANSFERS



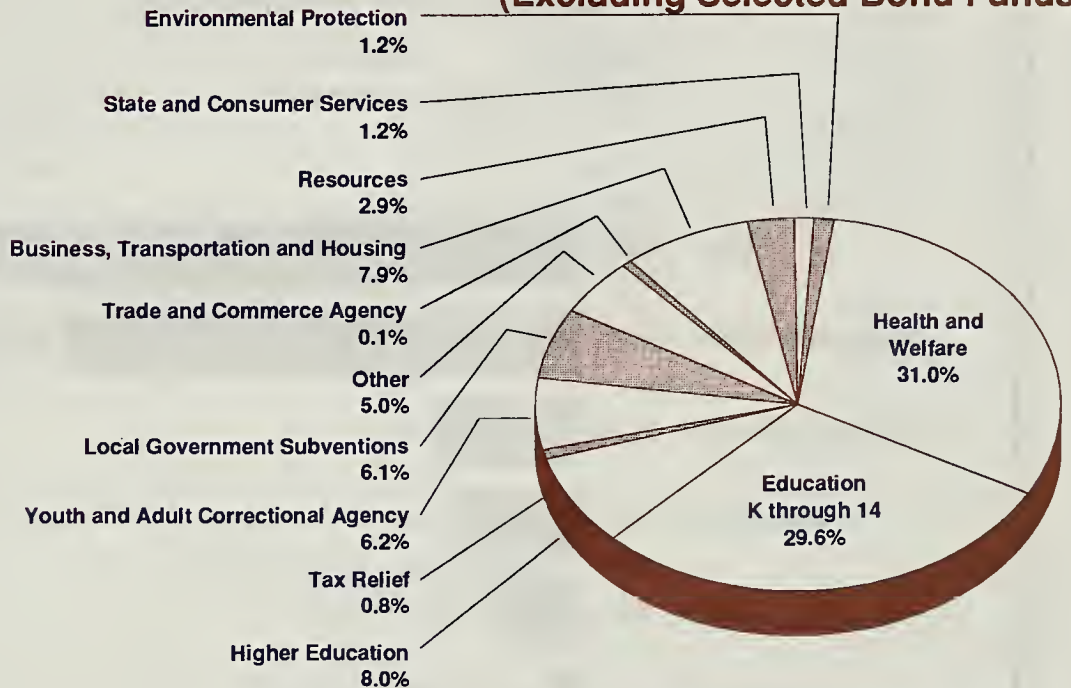
GENERAL FUND REVENUES AND TRANSFERS



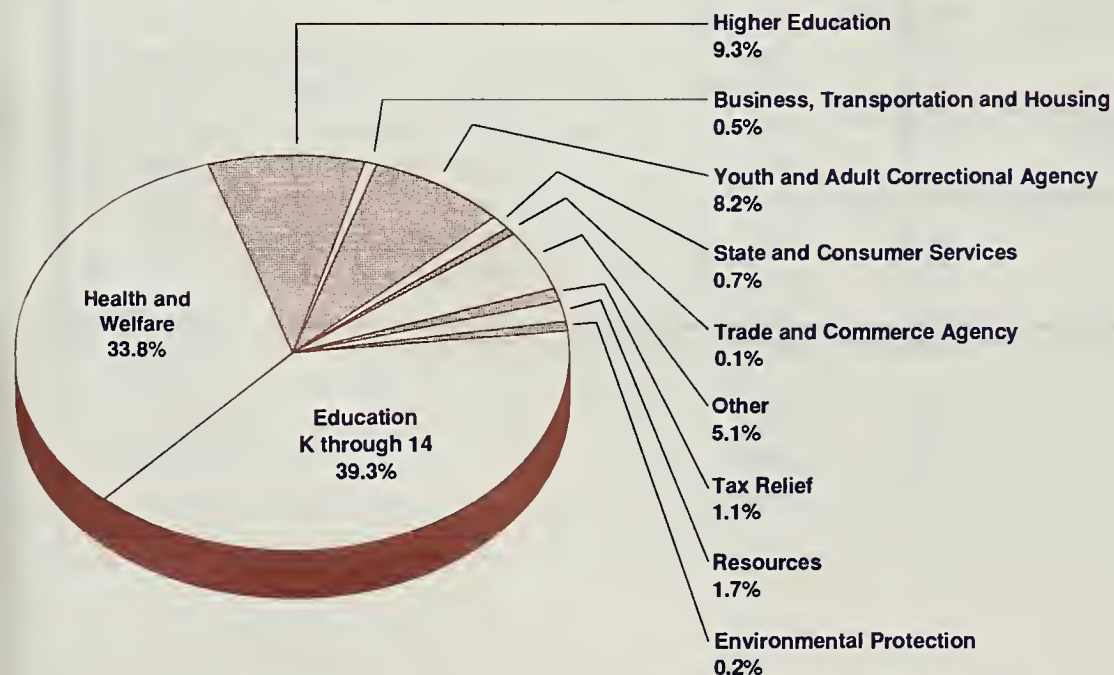
EXPENDITURES

1993-94 FISCAL YEAR

TOTAL EXPENDITURES (Excluding Selected Bond Funds)

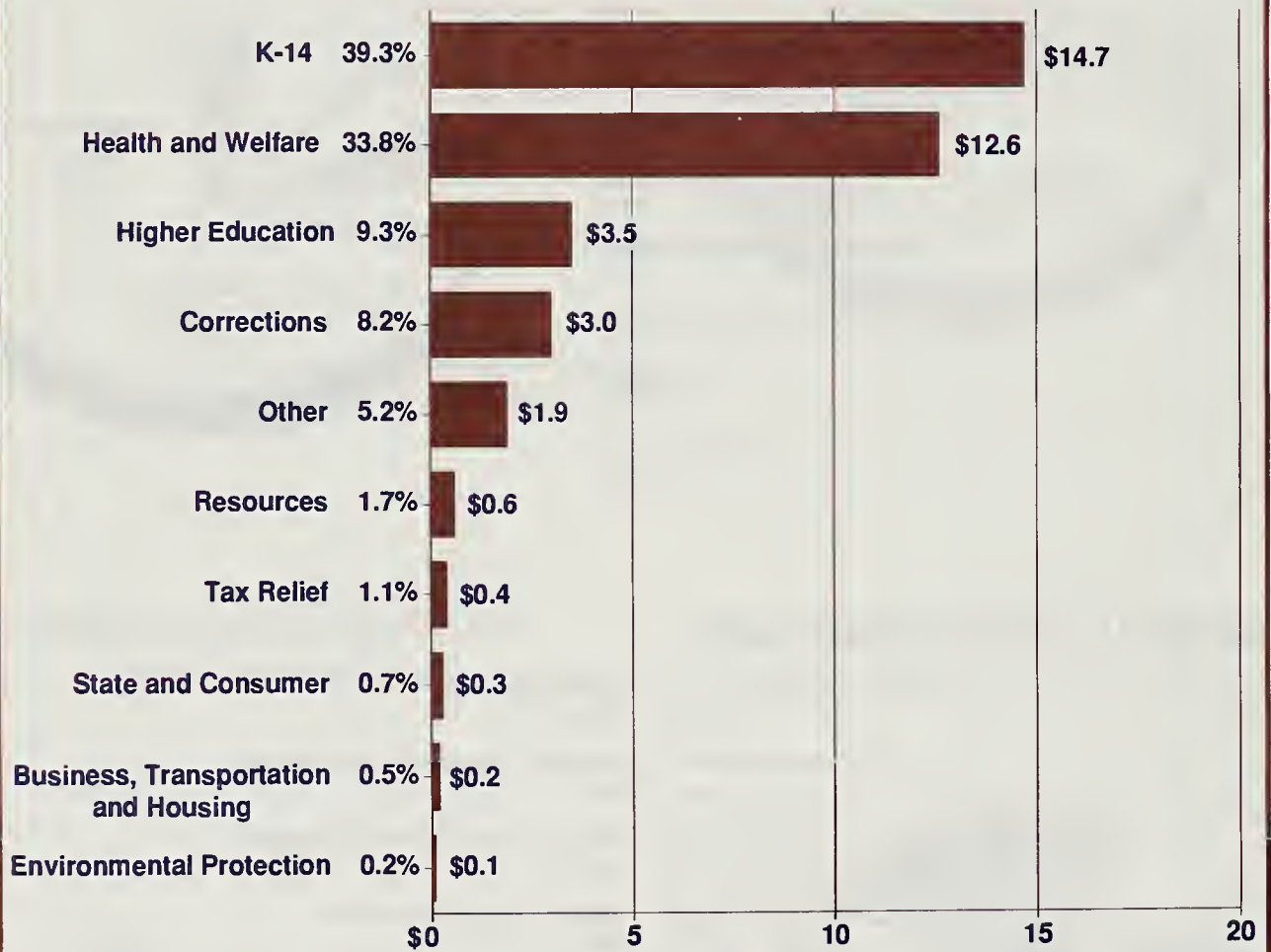


GENERAL FUND EXPENDITURES



General Fund Expenditures 1993-94

(Dollars in Billions)



1993-94 Fund Sources

(Dollars in Thousands)

	<i>General Fund</i>	<i>Special Funds</i>
Personal Income Tax	\$16,900,000	\$1,797
Sales Tax.....	14,256,000	1,630,400
Bank and Corporation Tax	4,900,000	45,000
Highway Users Taxes.....		2,625,238
Motor Vehicle Fees	18,740	4,589,695
Insurance Tax	1,223,000	
Estate Taxes.....	608,000	
Liquor Tax.....	291,000	
Tobacco Taxes	191,800	496,963
Horseracing Fees	74,619	40,213
Other.....	1,411,411	2,671,548
Total.....	\$39,874,570	\$12,100,854

1993-94 Expenditures By Fund

(Dollars in Millions)

<i>Function</i>	<i>General Fund</i>	<i>Special Funds</i>	<i>Bond Funds</i>	<i>Total</i>
Education (K-14)	\$14,673	\$38	\$166	\$14,877
Health and Welfare.....	12,600	2,793	-	15,393
Higher Education	3,455	520	287	4,262
Business, Transportation and Housing	193	3,751	520	4,464
Trade and Commerce Agency	36	6	-	42
Tax Relief	405	-	-	405
Local Government Subventions	5	3,042	5	3,052
Youth and Adult Corrections	3,046	12	276	3,334
Resources.....	626	829	120	1,575
Environmental Protection.....	86	492	83	661
State and Consumer Services	269	343	12	624
Other	1,939	532	1	2,472
Total	\$37,333	\$12,358	\$1,470	\$51,161

Economic Outlook

The International Economy

California is hardly alone in facing difficult economic times in recent years. The world economy has become increasingly integrated over the last decade and is likely to become even more intertwined in the years ahead, given developments in GATT (General Agreement on Tariffs and Trade) and the North American Free Trade Agreement (NAFTA). Financial markets are already global, with capital shifting from one country to another at the push of a telephone button, always seeking the best risk adjusted return.

Economic decisions, whether private or government—at the national, state or local level—can no longer be made without reference to developments around the world. Companies or economies which are high cost or inefficient will lose out quickly in this global competition. Thus, to understand California's economy, it is necessary to track developments not only in the rest of the United States, but in the global economy as well.

California's economy is equivalent to the eighth largest nation in the world. Foreign trade passing through the state's ports amounts to over \$175 billion a year. Foreign companies maintain a strong presence in California, in terms of both operations and investments. California's population reflects the blending of many nationalities and cultures.

Over the last two years, recession has spread to many of the industrialized countries of the world, raising concerns about a global recession or prolonged stagnation. Most of the state's major trading partners are seeing their economies weaken. Western Europe and the United Kingdom are in a persistent slump. Germany in particular is undergoing severe adjustment problems in the process of integrating two widely diverse economies. Japan's economy has seen a significant downturn, being reflected in unprecedented cutbacks in firms and caution in both consumer spending and business investment. Canada's recession is ongoing, and even Mexico is feeling repercussions from recessions in other countries. The possibility that the current situation could turn into a prolonged global recession cannot be ignored.

It has become apparent that exports, singled out earlier as a possible "engine of recovery", can no longer be expected to lead. More likely, it will be an upturn in the United States economy which eventually strengthens

recoveries in other countries. California business has enjoyed strong interactions with firms in other countries. Over the next year-and-a-half, however, growth derived from international ventures is likely to be minimal. Only when the leading foreign economies again move into an expansionary phase will the international economy be a source of stimulus for California business.

The National Economy

Economic data in recent weeks have presented conflicting signals on the U.S. economy. Indicators of recovery are offset by signs of weakness. Whether the past few months mark the transition to a steadily expanding economy or are merely a temporary upturn remains to be seen.

Data on gross domestic product for the third quarter only served to increase the uncertainty over the outlook. Reported growth was not consistent with a decline in industrial production, unchanged average weekly hours and a fractional gain in jobs. Looking behind other indicators reveals as many areas of weakness, as of strength.

Eventually, most economic data is benchmarked to more complete annual survey figures (and ultimately business censuses) or more often to tax based information. Much of the source data which will eventually be incorporated in economic series suggests that the recession was far deeper, and more prolonged, than currently estimated. Tax collections at both the federal and state level, for instance, show very weak growth for the past year or more; in some states, including California, revenues have actually been down when the effects of tax increases or tax base broadening are excluded. Federal receipts in the year ended September grew less than 1.8 percent, against reported nominal GDP growth of 4.7 percent.

Nevertheless, the Business Cycle Dating Committee recently defined the recession as getting underway after a July 1990 peak, and continuing until March 1991. This would make the recession of only average duration. The likelihood of significant revisions to various economic measures over the coming two years, as later actual information on income flows and spending is received, may lead the committee to revise their conclusion at a later date.

While some regions report modest gains in the economy, other areas remain exceptionally weak, with no signs that the recession is over. The midwest appears to be picking up, for instance, while the two coasts remain weak. Holiday sales reports were somewhat encouraging, although sales of new cars recently were at levels equal to the low of the recession. This raises concerns that consumers remain basically pessimistic, and are likely to retreat once more in early 1993. The reported improvement in consumer confidence late in 1992 was still too tentative to conclude that consumers are ready to lead the economy out of recession. Similar signals in the past have proved all too temporary.

There are continuing problems which suggest recovery will be slow at best. Key measures such as new car sales and housing activity remain depressed. The rise in mortgage rates in the fourth quarter 1992 effectively dampened both resales and new home building. Business investment is showing few signs of a comeback; expansion plans will stay on hold until the economy registers a distinct improvement. The outlook for exports is dim with recession impacting most of Europe, the U.K. and Canada, and developing weakness in Japan and Mexico.

The government sector is also likely to be a negative factor in coming quarters. Cuts in defense spending and reductions in federal civilian expenditures are not likely to be balanced by increases in investment in infrastructure or other anti-cyclical programs. The latter usually take several quarters to move into high gear, during which time the negative effects of spending containment are likely to prevail. Even state and local governments

are expected to be a negative factor, as they attempt to bring spending programs in line with resources severely curtailed by the recession.

One positive note is that Federal Reserve policy may finally be having some impact on money supply growth. Recent growth in the nation's money supply as measured by changes in demand deposits and savings accounts has brought this measure up to near the lower end of the Fed's target. Bank reserves have started to grow, and for the first time in several years banks appear to have resumed lending on a slightly broader scale. Commercial and industrial loan figures are edging higher after nearly two years of decline.

This forecast represents an effort to balance published data on the economy with observations which suggest those data are too high and likely to be revised down in coming years. Slow growth is forecast for the U.S. through the end of 1994, with real gross domestic product on average in the current year up 1.8 percent, with a further gain of 2.6 percent in 1994. Personal income is expected to be up 4 percent in 1993, reflecting a marginal gain in jobs. Corporate profits rise by 11 percent, however, reflecting the efforts of many businesses to restructure their operations for greater efficiency and improved profits.

The one thing missing from this recovery is the normal snapback which traditionally has occurred three or four quarters after the trough of a recession. The uneven nature of the downturn and recovery—if one is, indeed, under way—along with widespread efforts to reduce costs through staff reductions and other restructuring, suggest that recovery will be very modest by historical standards.

Figure 2-A
California Nonagricultural Employment
(Jobs in Millions)

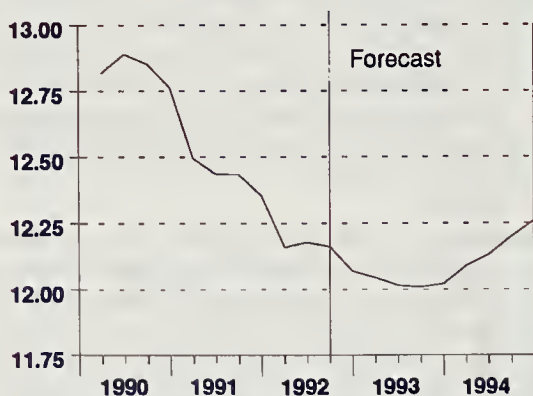
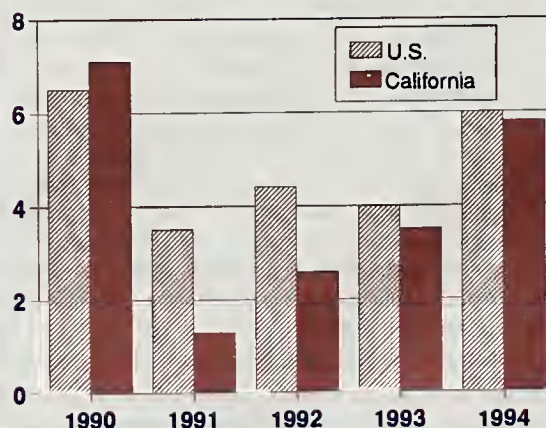


Figure 2-B
Growth in Personal Income
(Percent Change)



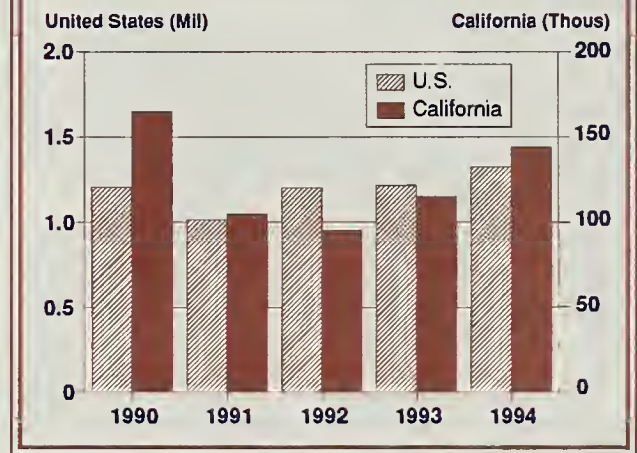
The California Economy

California's economy has clearly not joined in the national recovery. Employment continued to decline through the latter months of 1992, retail sales remain below year ago levels, what growth there is in personal incomes is mainly attributable to government transfer payments, and construction activity has deteriorated further in recent months.

The State's economy faces several formidable barriers which will likely prolong the recession through much of 1993 and will inhibit the pace of recovery when it does finally arrive late this year or early in 1994:

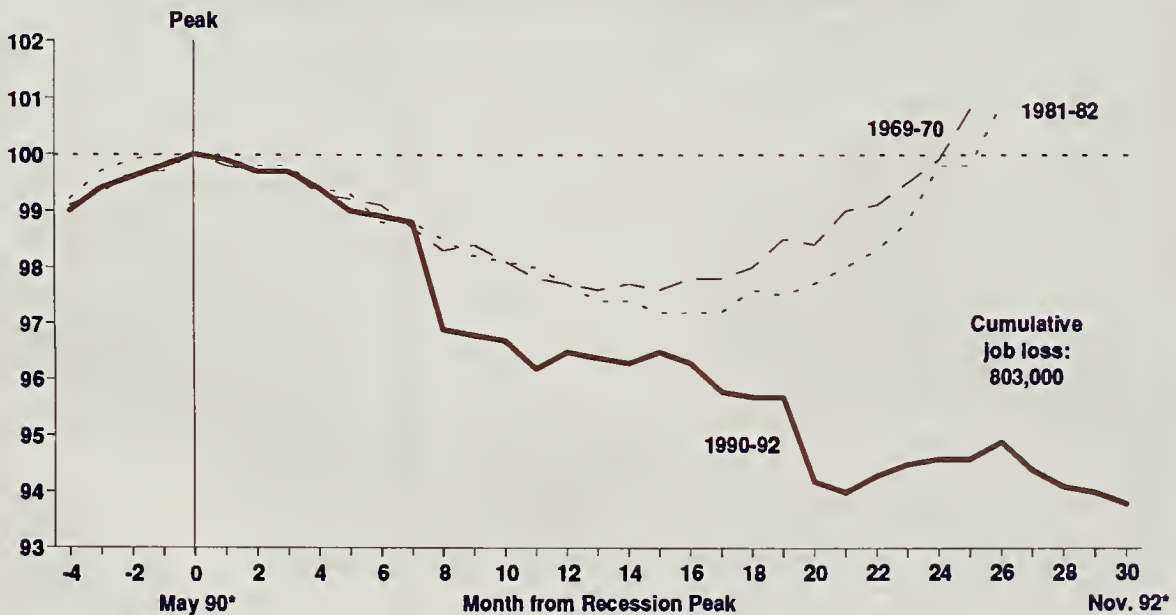
- Defense budget cuts will continue to reduce employment in the aerospace industry, while the major impacts of previously announced military base closings will be felt mainly in the 1993-95 period.
- The construction and real estate sectors face a variety of obstacles, including huge oversupplies of commercial office, retail and hotel space, constraints on traditional financial institutions relative to real estate lending and a painful price adjustment in the upper half of the housing market.

Figure 2-C
New Housing Units



- California based industries, such as high technology manufacturing, are looking increasingly to lower cost areas of the nation and the world when considering

Figure 2-D
California
Wage and Salary Employment from Recession Peaks



* Dates are in reference to the 1990-92 recession.

expansion sites. This factor may already be impeding the State's recovery. For example, California does not seem to be benefiting from the national surge in demand for computers and electronic components. Employment in both of these industries continued to decline throughout 1992.

- Export markets are unlikely to provide much support to the State's economy in 1993. Japan, Western Europe, Canada and Mexico are all affected by the global slowdown, and California has a disproportionate share of export oriented jobs in manufacturing and other industries as well.
- Cost containment efforts and "downsizing" are continuing in a variety of service producing industries, including finance, transportation, utilities and wholesale and retail trade.

In short, a replay of the 1983 boom in economic activity—and State tax revenues—is unlikely to provide a quick solution to California's budget problems as was the case a decade ago.

Indeed, even under the best of circumstances, the recession has been so deep—more than 800,000 jobs lost since the May 1990 peak—that full recovery will take several years to achieve. With the upturn expected to get off to a slow start, it could easily be early 1996 before

employment is fully restored to its pre-recession level. As Figure 2-D indicates, past employment cycles—from peak to peak—have generally taken two years or less to complete.

Help From Washington? Some observers have expressed the hope that economic policies of the incoming national administration will provide the necessary catalyst to quickly turn around the state's economy. While it is certainly true that more vigorous economic growth in the rest of the nation will have welcome spillover effects in California, it should also be noted that the new administration's proposals include deeper cuts in defense spending and tax increases on higher income individuals—both of which have adverse impacts on California.

Because California accounts for about 22 percent of the nation's defense spending—nearly twice its share of population and employment—defense cuts have a disproportionate impact on the California economy. Likewise, the state has an unusually large share of upper income taxpayers. Based on 1990 federal tax data, California accounted for just under 12 percent of all individual income tax returns, but 16.5 percent of all U.S. returns with adjusted gross income of \$100,000 or more.

If anything, prospective U.S. policies are likely to exacerbate the deteriorating "balance of payments"

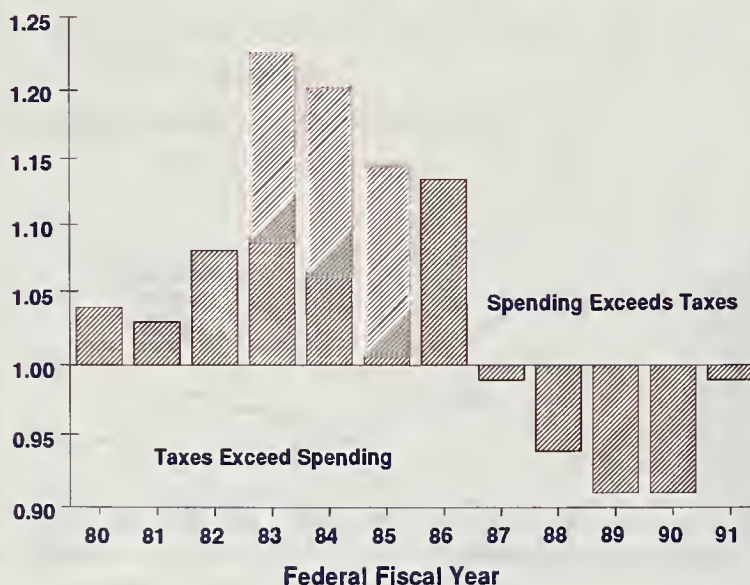
between California and the federal government. Historically, California had received more in federal expenditures than Californians paid in federal taxes. However, as defense cuts began to take hold in the late 1980s, California's "surplus" with the federal government disappeared.

From a recent (1982–83) peak of \$1.22 in spending for every \$1 in federal taxes paid, by 1988–89 and 1989–90 California received only 91 cents for every dollar contributed to the federal coffers. While the gap narrowed somewhat in 1990–91—reflecting the recession's impact on Californian's federal tax payments as well as the widening federal deficit—the promise of more defense cuts and higher rates for upper income households will surely increase the federal drain on California's economy in the years ahead.

The point is that the mix of federal policies is unlikely to improve California's prospects relative to the rest of the nation. Stronger economic growth nationwide will help California, but in the near term at least, the state is still likely to lag the U.S. economic performance.

Figure 2-E

Ratio of Federal Spending to Taxes in California



Moreover, developments in financial markets can easily offset the stimulative effects of increased government spending throughout the nation's economy. Contrary to its normal behavior of deteriorating on good economic news, the Treasury bond market has actually rallied on improved employment and GDP reports, on the grounds that stronger U.S. growth will lessen the need for fiscal stimulus. To an increasing degree, the bond market is ruled by international financial flows. Global investors are quick to shift funds to the best risk adjusted returns. In this international arena, confidence in economic policy is a key element.

Near-term Outlook. The revenue outlook for the 1993-94 fiscal year will be determined in large measure by economic developments in calendar 1993. Of the three largest revenue sources, personal income and bank and corporation tax revenues are almost entirely derived from 1993 economic activity, and given the seasonal pattern of retail buying, much of the sales tax performance also reflects this year's volume.

With continued weakness in aerospace, construction and exports, California's recovery will depend on national economic growth and the gradual completion of the restructuring of the state's services economy. Eventually—by late this year or early next—underlying national growth trends should be sufficient to offset the

diminishing negative effects of defense cuts, real estate imbalances and sluggish export markets.

Specifically, the forecast projects further, albeit modest, declines in employment over the first half of 1993, stabilization in the second half of the year, with an upturn finally underway by the end of this year or early 1994. On a year average basis, however, wage and salary employment is expected to decline by about 1 percent, compared to last year's drop of slightly more than 2 percent and 1991's 3 percent fall. Next year, the number of jobs is expected to increase by over 1 percent.

The State's unemployment rate, which first broke into double digits last November, is expected to remain near 10 percent throughout this year, reflecting continued labor force growth against stagnant employment. In 1994, the rate is expected to fall slowly to 9½ percent on an annual average basis.

In this job environment, income growth remains sluggish, averaging 3½ percent this year, marginally better than 1992's 2½ percent gain. Once again, government transfer payments will be the leading source of growth. In 1994, incomes are expected to rise by nearly 6 percent.

Sector Outlook

Construction industry developments include only modest improvement in homebuilding, to perhaps 115,000 units from last year's estimated 95,000 unit volume. Even 1994's 144,000 figure is a far cry from the quarter million unit years of the late 1980s. Part of this sluggishness reflects demographic trends affecting the apartment sector. But the improvement in single family housing is likely to be dampened by the scarcity of construction finance and the relatively sluggish job market. Given the supply imbalance in the commercial sector, this year will probably see further declines in nonresidential construction, with only the faint beginnings of recovery visible in 1994.

Manufacturing will continue to be held back by declines in defense related aerospace as well as weakness in the market for commercial aircraft. Electronics employment is expected to stabilize at end 1992 levels (implying further declines on an annual average basis) before modest growth resumes in 1994. Construction related industries such as lumber, furniture, fabricated metals and stone-clay-glass will reflect weakness in the building industry this year, with modest improvement likely in 1994. Nondurable goods, including apparel, chemicals, food processing and plastics should all benefit this year from the national upturn.

Wholesale and retail trade should begin to pick up in the second half of 1993 as sales begin to recover. **Transportation and utilities** will continue to emphasize cost cutting, and will be at best stable this year and next. **The financial sector** will continue to grapple with declines in banking, partially offset by gains in nonbank financial services. Real estate and insurance are expected to show little near term growth. By 1994, most financial segments should be on the rise.

Private services are already showing some signs of growth, a trend which should continue and strengthen throughout 1993 and 1994. **Government**, on the other hand, is unlikely to be a source of growth this year or next. Federal employment will continue to drop 3 to 4 percent per year, reflecting Defense Department cuts and base closings—this in addition to the reduction of military personnel. On a seasonally adjusted basis, recent months have witnessed declines in state and local government employment, a trend which could well continue through mid-1994.

Table 2-1
Selected Economic Data, 1993 and 1994
(Dollars in Billions)

	1993	1994
<i>UNITED STATES</i>		
Real gross domestic product (1982 \$), (Percent change)	1.8	2.6
Personal consumption expenditures, (Percent change)	1.4	2.3
Gross private domestic investment, (Percent change)	6.3	8.3
Government purchases of goods and services, (Percent change)	0.2	-0.2
GDP Deflator (1987 = 100), (Percent change)	2.8	3.1
GDP (current \$), (Percent change)	4.6	5.8
Personal income, (Percent change)	4.0	6.0
Corporate profits before taxes, (Percent change)	11.3	8.3
Wage and salary employment, (Millions)	108.9	110.7
Percent change	0.5	1.7
Unemployment rate, (Percent)	7.2	6.9
Housing starts (Thousands)	1,215	1,325
Percent change	1.2	9.1
New car sales (Millions)	8.7	10.1
Percent change	4.7	15.8
Consumer price index (1982-84 = 100)	144.7	149.6
Percent change	3.2	3.3
<i>CALIFORNIA</i>		
Civilian labor force (Thousands)	15,357	15,477
Percent change	1.2	0.8
Civilian employment (Thousands)	13,800	14,011
Percent change	nc	1.5
Unemployment (Thousands)	1,557	1,466
Percent change	13.0	-5.8
Unemployment rate (Percent)	10.1	9.5
Wage and salary employment (Thousands)	12,022	12,169
Percent change	-1.0	1.2
Personal income	\$663.5	\$701.9
Percent change	3.5	5.8
Housing units authorized (Thousands)	115	144
Percent change	21.2	25.4
Corporate profits before taxes	\$49.2	\$47.4
Percent change	5.9	-3.8
New auto registrations (Thousands)	1,269	1,445
Percent change	3.4	13.9
Total taxable sales	\$274.6	\$294.9
Percent change	0.6	7.4
Consumer price index (1982-84 = 100)	150.8	156.4
Percent change	3.6	3.8

Note: Percentage changes calculated from unrounded data.

Revenue Estimates

General Fund and State special fund revenues for the 1992–93 fiscal year will be substantially below the levels forecast in the 1992 Budget Act. The budget was predicated on total revenues of \$55.4 billion. The current forecast for 1992–93 is \$52.4 billion, or 5.3 percent below that level. General Fund revenues, forecast at \$43.4 billion in the Budget Act, are now forecast at \$40.9 billion, a reduction of \$2.5 billion, or 5.8 percent. This revenue shortfall is attributable to continued weakness in the economy. General Fund revenue for the budget year is expected to decline \$1.1 billion which will be the second year of actual revenue decline. The decline in the budget year is primarily attributable to the termination of the temporary $\frac{1}{2}$ cent sales tax and the resumption of the utilization of net operating loss carryforward. The underlying base trend calls for modest growth. The budget proposes no tax increases or new taxes, and does not propose to extend the $\frac{1}{2}$ cent temporary sales tax, suspension of net operating loss carryforward, or any other tax provision scheduled to expire.

Long-term revenue growth will be lower than that of previous recovery periods since the economic rebound is expected to be sluggish and a sustained recovery is not expected to begin until 1994.

Overall, General Fund revenues and transfers represent about 75 percent of total revenues. The remaining 25 percent are special funds that are dedicated to specific purposes. About 60 percent of special funds are related to transportation functions.

The 1992 budget agreement increased current year revenues by about \$580 million but added very little to subsequent years. The most significant item was the provision of special settlement authority to the Franchise Tax Board, which is expected to raise about \$300 million in the current year by expediting the tax resolution process. Federal conformity raised another \$85 million in the current year but little in subsequent years since these too were revenue acceleration provisions.

The revenue forecast includes one legislative proposal: the elimination of the small employer's health care tax credit. This modification will prevent a \$120 million revenue loss for fiscal 1993–94. This credit has been delayed twice and is currently scheduled to begin with tax years starting on or after January 1, 1994. Although

health care is still an important issue, there are a number of reasons to repeal the current law. First, the cost of such a program would grow rapidly, resulting in annual revenue losses of over \$1 billion by 1998. Second, health care has become a national issue. The President-elect has stated that it is one of his highest priorities. Any State program should supplement the national effort.

The Table 3-1 shows the year-to-year percent change in the largest four General Fund taxes together with the comparable base trend percent changes. This table shows that the revenue base for the State's major tax sources has been extremely weak in the 1991–92 and 1992–93 fiscal years. Tax policy changes in 1991–92 provided some revenue growth, but the expiration of these policies results in revenue declines in 1992–93 and 1993–94.

General Fund

Personal Income Tax—\$16,900,000,000

The California personal income tax, which contributes over 40 percent of all General Fund revenues, is closely modeled after the federal income tax law. It is imposed

Table 3-1

Trend of the Four Largest General Fund Revenues^a

<i>Fiscal Year</i>	<i>Year-to-Year Percent Change</i>	
	<i>Base Trend^b</i>	<i>Forecast Budget</i>
1991–92	–3.1	8.6
1992–93	1.3	–2.9
1993–94	6.1	–1.7
1994–95	6.6	6.7
1995–96	9.3	8.1
1996–97	9.0	7.2

^a Personal Income Tax, Sales and Use Tax, Bank and Corporation Tax, and Insurance Gross Premiums Tax

^b The base trend is the revenue forecast adjusted to remove the effect of tax policy changes.

on net taxable income, that is, gross income less exclusions and deductions. The tax is progressive with rates ranging from 1 to 11 percent. Personal, dependent and other credits are allowed against the gross tax liability.

In addition, taxpayers may be subject to an alternative minimum tax (AMT), which is much like the federal AMT. This feature is designed to ensure that excessive use of tax preferences does not reduce taxpayers' liabilities below some minimum level. The AMT is equal to 8.5 percent of the alternative minimum taxable income that exceeds an exemption amount.

The personal income tax is adjusted annually by the change in the consumer price index to prevent taxpayers from being pushed into higher tax brackets without a real increase in income.

The difficulty of forecasting personal income tax receipts is enhanced by the progressive nature of the tax. One dollar of income on a high-income tax return can generate 11 times the revenue from a dollar on a low-income return. In addition, very high-income taxpayers usually have a great deal of discretion over the realization of income and the timing of deductions. Thus, substantial changes in the portfolios or tax planning of relatively few taxpayers can have a dramatic impact on State revenues. In 1990, for example, the top four percent of state taxpayers, those with adjusted gross incomes of over \$100,000, paid 49 percent of the personal income tax. This result is demonstrated in Figure 3-A, which displays the percent of total returns and tax paid by adjusted gross income class.

Personal income tax revenue forecasting has also been greatly complicated by federal and State tax changes which made capital gains fully taxable. Capital gains have always been an extremely volatile

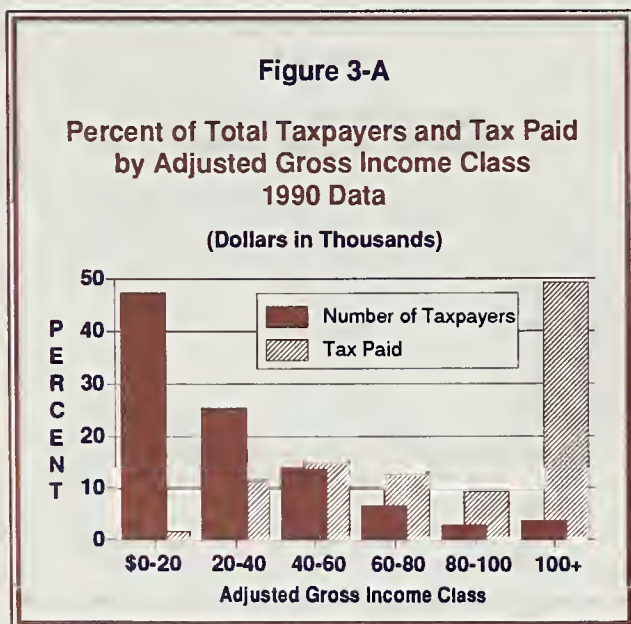
revenue source; holders of capital assets are predominantly very high-income taxpayers, subject to the maximum tax rate, who can time the realization of gains and, hence, the payment of tax, to their own advantage. Year-to-year growth rates in capital gains over the ten-year period prior to tax reform have ranged from a positive 61 percent to a negative four percent, with an annual average increase of almost 18 percent. Realization of gains has been even more erratic since tax reform eliminated the exclusion previously allowed capital gains. Sales of capital assets were up nearly 67 percent in 1986 and down over 55 percent in 1987. Now, due to the full taxation of gains and the rapid appreciation of assets during the 1980s, capital gains have the potential of being a much larger proportion of the personal income tax base. Thus, sales of capital assets have been a significant contributor to the fluctuations of personal income tax revenue over the last few years and will contribute to increased volatility in the future.

The income component of the economic forecast forms the basis for the personal income tax forecast. Capital gains income, which is not part of the national income accounts, is forecast separately by using general economic activity and stock market trends. Real estate activity in the state is also used as a guide.

Personal income tax revenues have been abnormally weak since 1989-90. Revenues actually declined by \$54 million in 1990-91 from the year-earlier level. In addition, if the tax law had not been revised in order to generate additional revenue, 1991-92 receipts would have been \$1.1 billion less than 1990-91. This is largely a reflection of the depressed economic conditions. Layoffs, wage cuts, interest income declines, profit and dividend reductions, and asset deflation all have depressed receipts during the last two years and improvement is expected to be slow.

The realization of capital gains has also been a significant contributor to this weakness. Gains in 1991 appear to have been 20 percent below year-earlier levels as the recession hit the California real estate market. This level of capital asset sales is 30 percent below the 1985 level, which was the last normal year before tax reform. Gains are expected to fall slightly in 1992 and 1993 before rebounding in 1994.

Overall, personal income tax revenues in 1993-94 are expected to be up less than one percent from the current year level. In part, this is due to the slow economic recovery. However, there are several non-economic factors that will impact the personal income tax revenue growth. Following a two-year suspension, taxpayers in 1993 will again be able to utilize net operating losses carried over from prior years. This option is expected to reduce personal income tax revenues by \$86 million in 1993-94. Also, some tax practitioners have been advising clients to accelerate income into 1992 to avoid the potentially higher rates proposed by President-elect Clinton. The forecast assumes that this will boost



1992–93 revenue by \$220 million and reduce the budget year revenue by \$160 million.

Adjustments for chaptered legislation include the following:

- Chapter 698, Statutes of 1992, required taxpayers with large increases in income to base their estimated tax payments on their current year's liability, rather than on the prior year. This is expected to add \$75 million to 1992–93 and \$8 million to 1993–94.
- Chapter 708, Statutes of 1992, which provided additional audit staff to the Franchise Tax Board, will accelerate and enhance collections, increasing the current year by \$29.6 million and reducing the budget year by \$12.6 million.
- Chapter 699, Statutes of 1992, gave the Franchise Tax Board the authority to collect fees from taxpayers who are delinquent or who fail to file a return. This measure is expected to raise \$16 million in 1992–93 and \$20 million in 1993–94.
- Chapter 17, Statutes of 1992, authorized revitalization zones for the Los Angeles riot area which will result in an estimated \$8 million personal income tax revenue loss this year and \$9 million next year.

The forecast also includes \$50 million in 1993–94 for the proposed repeal of the tax credit for small employers who provide health insurance for their employees. This credit is currently scheduled to go into effect at the beginning of 1994.

Forecast revenues for the current and budget years, compared with actual collections in 1991–92, are:

(Dollars in Millions)

1991–92 (Actual)	\$17,240
1992–93 (Forecast)	16,760
1993–94 (Forecast)	16,900

Sales Tax—\$14,256,000,000

The sales tax is imposed upon retailers for the privilege of selling tangible personal property in California. Most retail sales and leases are subject to the tax. However, exemptions have been provided for certain essentials such as food for home consumption, prescription drugs, gas, electricity and water, thereby making the tax relatively progressive. In addition, other exemptions provide relief for a variety of sales ranging from custom computer programs to aircraft.

Legislation was enacted in 1991 which temporarily increased the state sales tax rate by .75 percent, with an additional .50 percent rate for program realignment. The .75 percent rate is composed of .50 to expire June 30, 1993, and .25 to expire only under certain circumstances.

The breakdown of the 7.25 percent rate that is currently imposed on a statewide basis is:

- 5.50 percent state tax rate (General Fund)—This rate will be reduced to 5 percent effective July 1, 1993.

The rate could be further reduced by an additional .25 percent beginning January 1, 1994, and each January 1 thereafter, if specified conditions are met. This .25 percent rate could be subsequently reinstated if it is determined that the reserve will not exceed four percent of General Fund revenues.

- .50 percent State tax rate (Local Revenue Fund)—Revenue from this tax is dedicated to local governments for program realignment.
- 1.25 percent local tax rate—This tax is imposed by cities and counties pursuant to the Uniform Local Sales and Use Tax Law. Of the 1.25 percent rate, .25 percent is dedicated for county transportation purposes and one percent is for city and county general purpose use.

In addition to the above, the Transactions and Use Tax Law authorizes local governments to impose transactions (sales) and use taxes for general as well as special purpose use, subject to voter approval. The combined transactions and use tax rate for any county is limited to 1.50 percent, with the exception of San Mateo County, which is authorized to impose a rate of .50 percent above that limit provided that the additional increment is used for educational purposes. Thus, the maximum combined State and local tax rate will be limited to 8.75 percent for San Mateo County and 8.25 percent for all other counties effective July 1, 1993.

Transactions and use tax authority is generally limited to countywide boundaries. However, Chapter 973, Statutes of 1991, authorized the city of Callexico to impose a .50 percent rate for the purpose of funding the Heffernan Memorial Hospital District. In addition, Chapter 1067, Statutes of 1992, authorized the Fresno Metropolitan Projects Authority, which generally surrounds the city of Fresno, to impose a .10 percent rate for the purpose of funding scientific and cultural programs in the Fresno metropolitan area.

A summary of the combined State and local tax rates by county is contained in Table 3-2.

The sales and use tax forecast is prepared by relating taxable sales by type of sale to various economic factors such as disposable personal income, housing starts, new car sales, employment and inflation. A summary of the forecast is presented in Table 3-3.

Taxable sales have performed significantly below what would be expected based on the economic data since the second quarter of calendar year 1990. Based on cash receipts through early December, this weakness has continued and there is no sign that the recovery is underway.

On a year-over-year basis, sales during the first half of calendar year 1992, adjusted for law changes, were 6.2 percent below the first half of calendar year 1990. Of particular concern were motor vehicle and building material sales, which combined, represent almost one

Table 3-2

**Combined State and Local Sales and Use Tax Rates by County
Effective October 1, 1992**

<i>County</i>	<i>Tax Rate (Percent)</i>	<i>County</i>	<i>Tax Rate (Percent)</i>	<i>County</i>	<i>Tax Rate (Percent)</i>
Alameda	8.25	Marin	7.25	San Mateo	8.25
Alpine	7.25	Mariposa	7.25	Santa Barbara	7.75
Amador	7.25	Mendocino	7.25	Santa Clara	8.25
Butte	7.25	Merced	7.25	Santa Cruz	8.25
Calaveras	7.25	Modoc	7.25	Shasta	7.25
Colusa	7.25	Mono	7.25	Sierra	7.25
Contra Costa	8.25	Monterey	7.75	Siskiyou	7.25
Del Norte	7.25	Napa	7.25	Solano	7.25
El Dorado	7.25	Nevada	7.25	Sonoma	7.50
Fresno	7.75	Orange	7.75	Stanislaus	7.25
Glenn	7.25	Placer	7.25	Sutter	7.25
Humboldt	7.25	Plumas	7.25	Tehama	7.25
Imperial ^a	7.75	Riverside	7.75	Trinity	7.25
Inyo	7.75	Sacramento	7.75	Tulare	7.25
Kern	7.25	San Benito	7.75	Tuolumne	7.25
Kings	7.25	San Bernardino	7.75	Ventura	7.25
Lake	7.25	San Diego	7.75	Yolo	7.25
Lassen	7.25	San Francisco	8.50	Yuba	7.25
Los Angeles	8.25	San Joaquin	7.75		
Madera	7.75	San Luis Obispo	7.25		

^a The city of Calexico imposes an additional .50 percent rate.

quarter of the tax base (See Figure 3-B). For the same time period, these sectors declined 13.9 and 22.7 percent, respectively.

While detail for the third quarter is not yet available, adjusted sales appear to have declined 0.7 percent from the prior year based on cash receipts. Based on the first prepayment for the fourth quarter 1992, it is estimated that fourth quarter sales will be up only 1.7 percent from the prior year. Adjusting for inflation, however, the quarter is estimated to decline by 0.9 percent from the prior year. Figure 3-C clearly illustrates this weakness.

The estimate is based on the assumption that the recession has bottomed out and that sales will remain weak through the end of calendar year 1993. Overall, taxable sales are expected to be up only 3 percent during the year, increasing to 7.4 percent during 1994.

In June 1990, the Supreme Court ruled that direct overhead items purchased under U.S. government cost reimbursement contracts are not taxable. As a result, it is estimated that approximately \$600 million in state revenue, including interest, will be refunded. The State is currently in the process of discussing possible solutions for the fiscal hardship that California is facing as a result of these refunds. The 1993-94 Governor's Budget is based on the assumption that negotiations with the

federal government and related contractors will be successful and that refunds will be spread over a 10-year period beginning with the 1993-94 fiscal year. Thus, these refunds are estimated to reduce budget year revenues by \$60 million.

**Figure 3-B
1991 Taxable Sales
by Major Component**

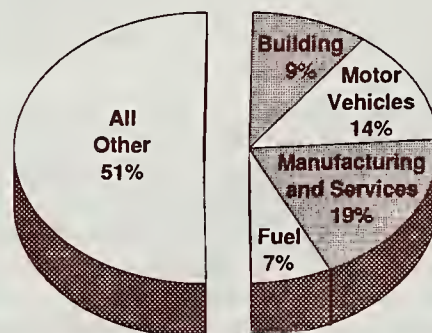
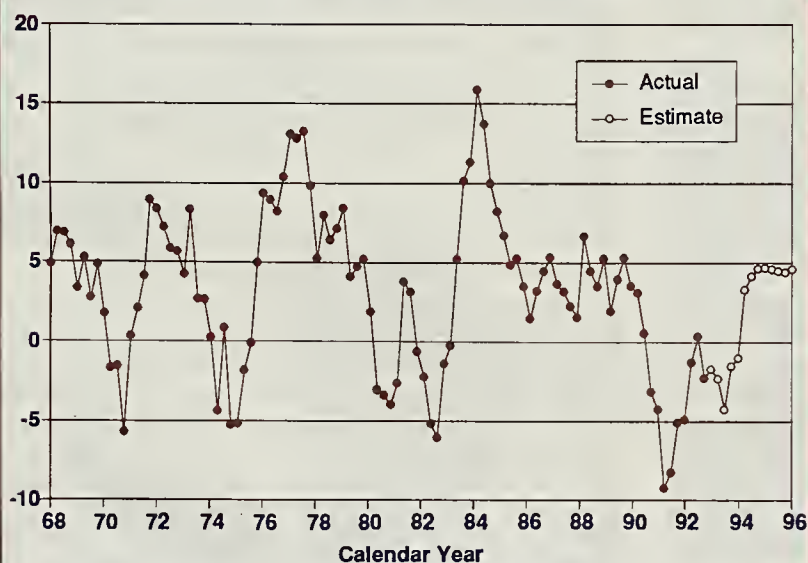


Table 3-3
Taxable Sales in California
(Dollars in Millions)

	<i>1991 Actual</i>	<i>1992 Forecast</i>	<i>1993 Forecast</i>	<i>1994 Forecast</i>
Motor vehicle dealers, auto repairs and parts, etc.	\$38,080	\$37,400	\$39,090	\$44,540
Percent change	-12.1%	-1.8%	4.5%	13.9%
Producers and refiners of petroleum, service stations, etc.	\$18,655	\$19,886	\$19,700	\$20,100
Percent change	-4.7%	6.6%	-0.9%	2.0%
Building materials including contractors.	\$24,430	\$22,730	\$23,890	\$27,050
Percent change	-13.8%	-7.0%	5.1%	13.2%
Manufacturing and services	\$52,779	\$53,600	\$54,200	\$56,900
Percent change	-3.2%	1.6%	1.1%	5.0%
All other retail stores	\$136,905	\$139,404	\$137,690	\$146,270
Percent change	0.6%	1.8%	-1.2%	6.2%
Total Taxable Sales	\$270,849	\$273,020	\$274,570	\$294,860
Percent change	-3.9%	0.8%	0.6%	7.4%
Base Adjustment *	-\$3,135	-\$6,320	-	-
Base Taxable Sales	\$267,714	\$266,700	\$274,570	\$294,860
Percent change	-5.0%	-0.4%	3.0%	7.4%

* Chapters 85 and 88, Statutes of 1991, repealed the exemptions for candy, snack foods, bottled water, newspapers, periodicals, and common carrier fuel effective July 15, 1991. Proposition 163 reinstated the exemptions for candy, snack foods and bottled water effective December 1, 1992 and Chapters 903 and 905, Statutes of 1992, reinstated the exemptions for subscription magazines and bunker fuel effective January 1, 1993. It is estimated that state and local governments will lose approximately \$500 million annually as a result of this action. For comparability, the base has been adjusted to exclude the estimated impact of this temporary base expansion.

Figure 3-C
Taxable Sales in California^{a/}
(Annual Percent Change in Constant Dollars)



^{a/} Includes the impact of expanding the tax base to include candy, snack foods and bottled water from July 15, 1991 through November 30, 1992.

As noted previously, the temporary .50 percent State sales tax rate increase will expire on June 30, 1993. The Governor's Budget assumes that this tax will not be extended. It is also assumed that the trigger mechanism for the .25 percent reduction will not be activated throughout the forecast period.

Current law specifies that certain State revenues from the sales tax on gasoline and diesel fuel sales be transferred to the Transportation, Planning and Development Account. The combined transfer to this account during 1992-93 is estimated to be \$179.8 million, increasing to \$208.4 million during 1993-94.

General Fund revenues for the current and budget years, compared with actual collections in 1991-92, are:

(Dollars in Millions)

1991-92 (Actual)	\$16,146
1992-93 (Forecast)	15,110
1993-94 (Forecast)	14,256

Bank and Corporation Tax—\$4,900,000,000

Bank and corporation tax revenues are actually derived from four taxes:

- The franchise tax and the corporate income tax are levied at a 9.3 percent rate on profits. The former is imposed on corporations for the privilege of doing business in California, while the latter is imposed on corporations which do not do business in the State but which derive income from California sources. These are primarily holding companies and firms engaged wholly in interstate commerce. Corporations which qualify for Sub-Chapter S status are taxed at a 2½ percent rate. California Sub-Chapter S provisions are similar to federal law.
- Banks and other financial corporations pay an additional tax (i.e., "Bank Tax") on their net income. This tax is in lieu of all State and local taxes except those on real property, motor vehicles and business licenses. The current rate for this tax is 1.807 percent. The bank tax is in addition to the franchise tax.
- The alternate minimum tax is similar to that in federal law. This tax is imposed at a rate of 7 percent beginning with the 1988 tax year. In prior years, California imposed a tax on preference income.
- A minimum franchise tax of \$800 is imposed on corporations subject to the franchise tax but not those subject to the income tax.

Since the tax is a function of corporate profits, the relationship of California profits to the national corporate profits forecast is important. However, the relationship is not precise because business activity in California may differ from that of the nation. Further, State tax law defines profits differently than standard business accounting, and national profits, as represented by the economic forecast, are the net of all gains and losses whereas only gains are taxed.

The preparation of the forecast involves consideration of the trend in noncorporate business income and recent actual cash experience. Noncorporate business income information is available for California whereas corporate profit data are not. The forecast reflects the economic downturn and recent legislation. Current law factors which impact the forecast include the expiration of the suspension of net operating loss carry forward. This provision had been suspended during 1991 and 1992 as part of the budget solution. Beginning January 1, 1993 these losses can again be utilized by corporations to reduce their current year taxable income. The forecast also includes \$70 million in 1993-94 for the proposed repeal of the tax credit for small employers who provide health insurance for their employees. This credit is currently scheduled to go into effect at the beginning of 1994.

Chapter 449, Statutes of 1992, provided the Franchise Tax Board with the authority to settle certain tax disputes. This is expected to result in an additional \$300 million in General Fund revenue in 1992-93 and a reduction of \$35 million in 1993-94 since some of the current year money is an acceleration. Prior law did not provide the Board with authority to settle issues for less than the stated liability although once the case had gone to court the Attorney General had such authority. Providing the Board with settlement authority will permit the timely resolution of cases where delay would actually reduce the amounts that the State would ultimately obtain and cases where there is reasonable chance that the State's position would not be sustained by the courts. This will result in saving of legal costs for both the State and the taxpayer. Chapter 698, Statutes of 1992, modified the prepayment requirements which will result in an additional \$10 million in General Fund revenue in fiscal year 1992-93 and \$8 million in fiscal year 1993-94. Other legislation did not significantly affect revenues.

This forecast assumes that fees paid into the Unitary Fund by international corporations electing to base their profits on their U.S. rather than worldwide operations will total \$45 million each in the current year and the budget year.

Forecast revenues for the current and budget years, compared to actual collections in 1991-92, are:

(Dollars in Millions)	
1991-92 (Actual)	\$4,494
1992-93 (Forecast)	4,850
1993-94 (Forecast)	4,900

Insurance Tax—\$1,223,000,000

The majority of insurance written in this state is subject to a 2.35 percent gross premiums tax. This premium tax takes the place of all other State and local taxes except those on real property and motor vehicles. The basis of the tax is the amount of "gross premiums" received, less return premiums, upon business done in the state, with some exceptions. Insurers transacting title insurance are taxed upon all income received in this state, with the exception of income arising out of investments. Ocean marine insurers are taxed upon underwriting profits at a five percent rate. Other exceptions to the 2.35 percent rate include certain pension and profit-sharing plans which are taxed at the lesser rate of 0.5 percent, and surplus lines which are taxed at 3 percent.

An annual survey conducted by the Department of Finance is used to project insurance premium growth. Responses are obtained from about 300 insurance companies, accounting for over one-half of the insurance written in California. Taxable premiums are expected to show a modest decline in 1992, with some growth in 1993, down significantly from the double-digit growth experienced during much of the 1980s. For 1991, \$51.4 billion in taxable premiums were reported, while the results of the most recent survey indicate that taxable

premiums will total \$49.9 billion in 1992 and \$51.3 billion in 1993. Figure 3-D illustrates the proportion of premiums by insurance type, from which the revenue is derived.

The Department of Insurance ordered insurers to rebate an estimated \$2.5 billion to consumers under the provisions of Proposition 103, which reduces the tax liability of insurers in the year which they are paid. Some major insurers have begun to litigate the rebate issues, making the timing and likelihood of the rebates uncertain. Due to these delays, further rebates are not expected to occur during 1992–93 or 1993–94.

Additional auditors in the Department of Insurance are expected to augment revenues by \$15 million in 1992–93. The estimated revenues for the current and budget years, compared with actual collections in 1991–92, are:

(Dollars in Millions)	
1991–92 (Actual)	\$1,167
1992–93 (Forecast)	1,212
1993–94 (Forecast)	1,223

Estate/Inheritance/Gift Taxes—\$608,000,000

Proposition 6, an initiative measure adopted by the voters on June 8, 1982, repealed the inheritance and gift taxes and imposed an estate tax designed to pick up the maximum credit allowed against the federal estate tax, otherwise known as the “pick up tax.” The pick up tax is computed on the basis of the federal “taxable estate” and tax rates range from 0.8 to 16 percent. This tax does not increase the liability of the estate due to the fact that it would otherwise be paid to the federal government. The date of death of the decedent or the date a gift is made determines which tax laws prevail. As a result of Proposition 6, taxes from this source dropped 54 percent between fiscal years 1982–83 and 1983–84.

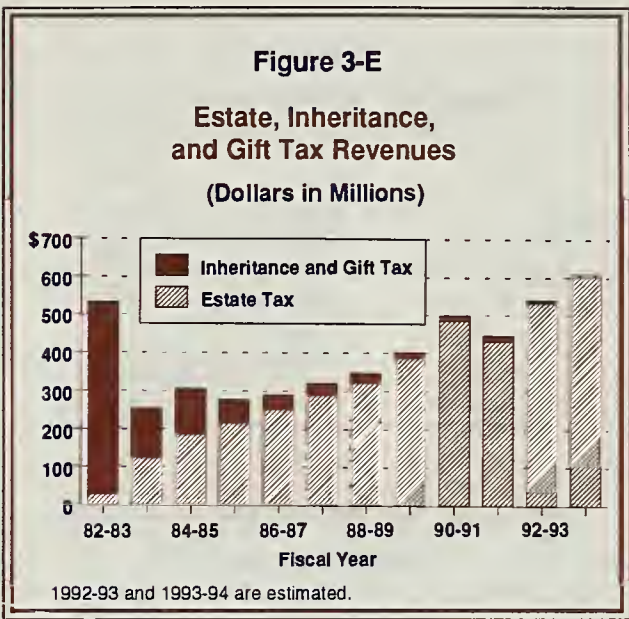
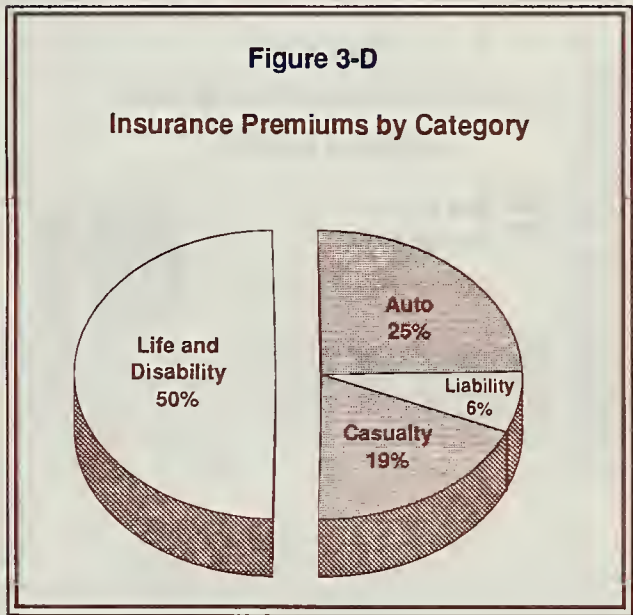


Table 3-4			
Estate, Inheritance and Gift Tax Revenue			
(Dollars in Millions)			
	1991-92 * Actual	1992-93 Forecast	1993-94 Forecast
Estate	\$431.7	\$533.7	\$604.0
Inheritance and Gift	15.0	6.3	4.0
Total	\$446.7	\$540.0	\$608.0

* Preliminary

For state tax purposes, the former inheritance and gift taxes apply to deaths and gifts occurring prior to June 8, 1982, whereas transfers attributable to deaths on or after that date would only be subject to the federal credit. Figure 3-E displays this trend since 1983.

Additional auditors in 1993–94 are expected to generate \$6 million in Estate Tax revenues. Past year actual revenues and estimates for the current and budget years are shown in Table 3-4.

Alcoholic Beverage Taxes—\$291,000,000

Taxes on alcoholic beverages are levied on the sale of beer, wine, and distilled spirits. The rates, which vary with the type of alcoholic beverage, were increased effective July 15, 1991. Current and prior rates, per gallon, are indicated in Table 3-5.

Table 3-5
Comparison of Prior and Current
Tax Rates Per Gallon

<i>Source</i>	<i>Prior</i>	<i>Current</i>
Beer	\$0.04	\$0.20
Dry Wine	0.01	0.20
Sweet Wine	0.02	0.20
Sparkling Wine	0.30	0.30
Distilled Spirits	2.00	3.30

Table 3-6
Beer, Wine, and Distilled Spirits Revenue

(Dollars in Millions)

	<i>1991-92 *</i>	<i>1992-93</i>	<i>1993-94</i>
	<i>Actual</i>	<i>Forecast</i>	<i>Forecast</i>
Beer and Wine	\$165.1	\$160.4	\$155.0
Distilled Spirits	156.3	146.6	136.0
Total	\$321.4	\$307.0	\$291.0

* Preliminary

Alcoholic beverage tax estimates are based on projections of total and per capita consumption for each type of beverage. Total and per capita consumption of sweet and sparkling wines and distilled spirits are expected to continue declining. Total consumption of beer and dry wines should post minor increases through the budget year, as minor declines in per capita consumption are offset by increases in the drinking-age population.

Prior year actual revenues include the following:

- The adoption of legislation to accrue revenue collections added \$25 million.
- Floor stock tax payments associated with the tax rate increase were \$29 million.

Total alcoholic beverage tax revenues from 1984-85 through 1993-94 are illustrated in Figure 3-F. Past year actual revenues and estimates for the current and budget years are shown in Table 3-6.

Cigarette Tax—\$191,834,000

The excise tax imposed on distributors selling cigarettes in California was increased to 35 cents per package, effective January 1, 1989, as a result of voter approval of Proposition 99.

At the same time, an excise tax on cigars, chewing tobacco, pipe tobacco, and snuff was implemented at a

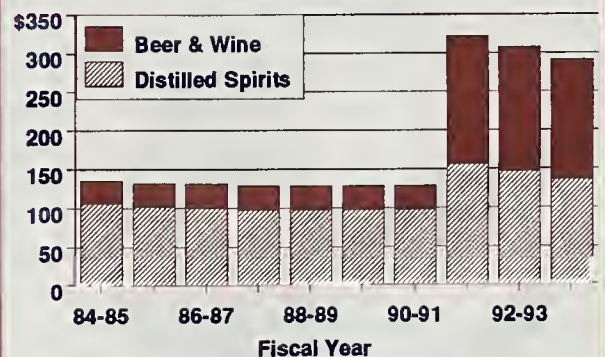
tax rate equivalent to the tax on cigarettes. Twenty-five cents of the tax per package of cigarettes, and all of the tax on the other tobacco products, are allocated to a special fund for distribution as determined by the measure. Ten cents of the tax per package of cigarettes is allocated to the state's General Fund.

Projections of total and per capita consumption of cigarettes provide the basis for the cigarette tax estimate. The cumulative effect of product price increases, the increasingly restrictive environment for smokers, Proposition 99, and a recent federal surtax will continue to significantly impact cigarette consumption. Per capita consumption had been declining at an average rate of 3 percent annually from 1983-84 through 1987-88, and then decreased rapidly with the onset of Proposition 99. During fiscal year 1989-90, per capita consumption was 128 packs, compared with 150 in 1987-88. This figure equates to a decrease of nearly 15 percent in only two years. The estimated increase in the smoking-age population will not offset the declining per capita consumption in future years, resulting in declines in total consumption of approximately 4 percent in the current and budget years.

Wholesale price data provide the basis for the revenue estimate for other tobacco products. It is estimated that declines in total consumption of other tobacco products will be similar to the projections made for cigarettes.

Legislation enacted in 1991 and 1992 changed the allocation of non-Proposition 99 cigarette revenues. The 1991 statute augmented the General Fund by approximately \$30 million in 1991-92 by transferring roughly 85 percent of the Cigarette Tax Fund to the General Fund instead of the former 70 percent. The balance of the fund continued to go to local government. In 1992, legislation established the transfer of all non-Proposition 99 cigarette revenues to the General Fund, less certain

Figure 3-F
Alcoholic Beverage Tax Revenue
(Dollars in Millions)



Excise tax rates significantly increased effective July 15, 1991. 1992-93 and 1993-94 are estimated.

Table 3-7**Tobacco Products Tax Revenue****(Dollars in Millions)**

	<i>1991-92 *</i> <i>Actual</i>	<i>1992-93</i> <i>Forecast</i>	<i>1993-94</i> <i>Forecast</i>
General Fund	\$168.7	\$177.7	\$191.8
Local Fund	32.8	16.1	0.0
Surtax Fund	<u>517.9</u>	<u>511.9</u>	<u>497.0</u>
Total	\$719.4	\$705.7	\$688.8

* Preliminary

administrative costs formerly born by local government. This allocation was initiated in September, 1992, and is expected to bring an additional \$11 million to the General Fund for 1992-93.

Per capita consumption of cigarettes, in packs, from 1982-83 through 1993-94, is illustrated in Figure 3-G. Tobacco products tax revenue estimates are shown in Table 3-7.

Horse Racing Revenue— \$74,619,000

Horse racing revenue comes primarily from license fees imposed on amounts wagered by the public. The license fee revenue schedule is based upon many factors, including the amount wagered, the location of the track, the type of horse racing, the type of wager, and whether or not the wager is made on-track or at a satellite facility. Other revenue sources include breakage (the odd cents not paid to winning ticket holders), unclaimed parimutuel tickets, occupational license fees, and fines and penalties.

Racing associations and local fairs present approximately 900 days of racing annually, featuring a variety of horse breeds. The public may attend the live meets, or watch and wager at off-track facilities which receive the races televised live via satellite. In addition, out-of-state betting systems include their wagers in the betting pools of races taking place in California, with the state receiving a share of each dollar bet.

Nationally, California ranks second only to New York in attendance, handle, and the amount of revenue

received by the state from horse racing. However, the State's revenue is being impacted by the recession, and the continuing shift from on-track to off-track wagering. The State license fee for off-track wagers is about one-half the license fee for on-track wagers, (See Figure 3-H).

California will host the Breeder's Cup in 1993, which is expected to generate additional revenues in 1993-94. Table 3-8 provides information on the distribution by fund of receipts from horse racing.

Special Fund Revenue

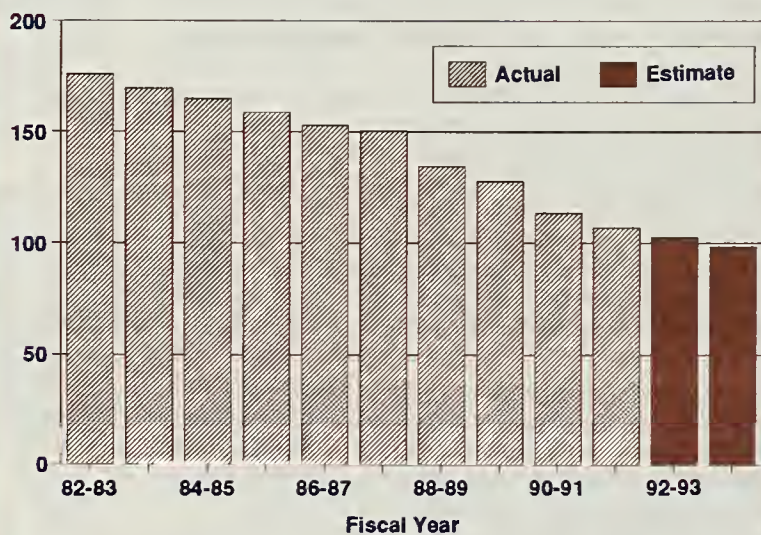
The California Constitution, codes and statutes specify the uses of certain revenue. Such receipts are accounted for in various special funds. In general, special fund revenues comprise three categories of income:

- Receipts from tax levies which are allocated to specified functions, such as motor vehicle taxes and fees.
- Charges for special services to specific functions, including such items as business and profession license fees.
- Rental royalties and other receipts designated for particular purposes, i.e., oil and gas royalties.

Motor vehicle related taxes and fees account for 60 percent of all special fund revenue. Principal sources of this income are motor vehicle fuel taxes, registration and

Figure 3-G

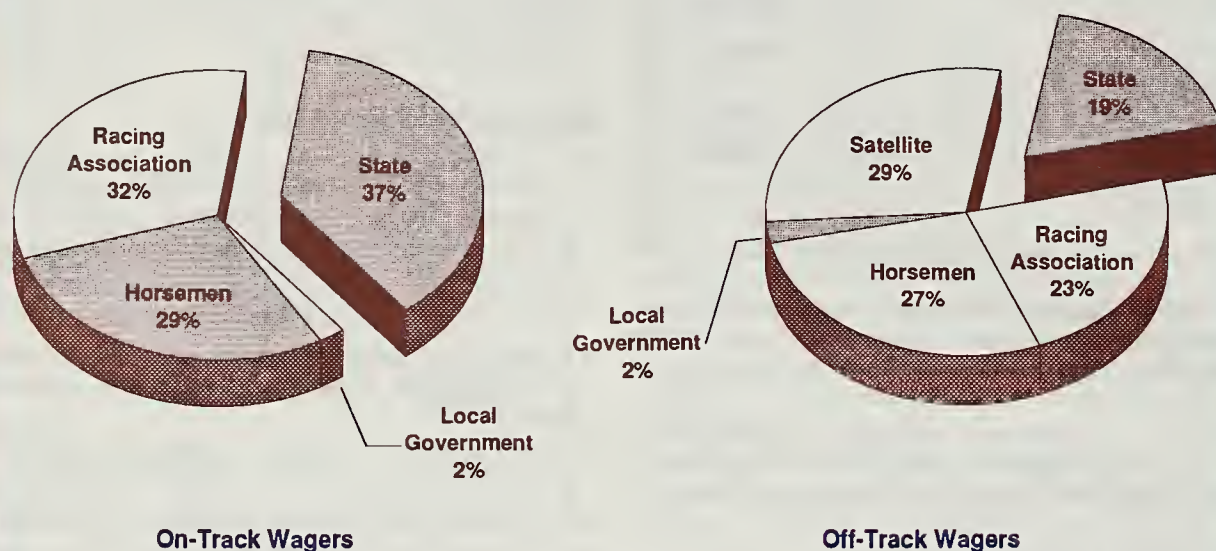
Cigarette Consumption (Packages per Capita)



Tax Rate per pack increased from \$.10 to \$.35 effective January 1, 1989.

Figure 3-H

**Thoroughbred Horse Racing
Take-Out Distributions**



weight fees, and vehicle license fees. During 1992-93, \$6.9 billion will be derived from the ownership or operation of motor vehicles. Approximately \$3.8 billion of this revenue will be returned to local governments. The remainder will be available for various State programs related to transportation and services to vehicle owners.

Chapter 85, Statutes of 1991, created a new special fund for the purpose of local program realignment. Revenue attributable to a .50 percent sales tax rate is transferred to this Local Revenue Fund. During 1992-93, it is estimated that local governments will receive almost \$1.4 billion from this revenue source. In addition to this revenue, approximately 25 percent of all vehicle license fees are transferred to this fund.

Funds from the voter-approved increase in tobacco-related taxes are allocated to a special fund for distribution to a variety of accounts as determined by the measure. Receipts for this fund are estimated at \$512 million in the current year and \$497 million in the budget year.

An additional \$4 million of the original 10 cents per package tax on cigarettes was allocated to local government in the current year, while \$15.3 million went to pay certain administrative costs. The General Fund is scheduled to receive 100% of this revenue in the budget year and beyond.

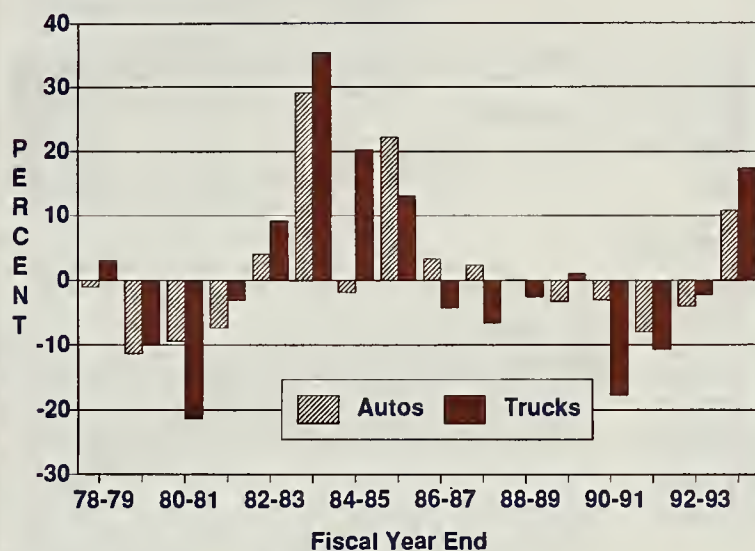
Table 3-8
Horse Racing Revenue
(Dollars in Thousands)

	1991-92 * Actual	1992-93 Forecast	1993-94 Forecast
General Fund	\$88,289	\$80,115	\$74,619
Fair & Exposition Fund	27,421	26,448	26,149
Satellite Wagering Account	12,904	13,302	13,314
Wildlife Restoration Fund	750	750	750
Total	\$129,364	\$120,615	\$114,832

* Preliminary

Figure 3-1

**New Vehicle Registrations
(Year-to-Year Percent Change)**



1992-93 and 1993-94 fiscal years are estimated.

property taxes or the VLF. Generally, if the mobilehome was purchased new prior to July 1, 1980, it is subject to the VLF which, in this instance, is administered by the Department of Housing and Community Development rather than the Department of Motor Vehicles. All other mobilehomes are subject to the local property tax. Chapter 699, Statutes of 1992, provided that all trailer coach license fees that are administered by the Department of Motor Vehicles be deposited in the General Fund. All other license fees are transferred to local governments.

Allowing for scrappage and for vehicles entering and leaving the state, total fee-paid registrations (autos, trucks, trailers, and motorcycles) including a proportional factor for multi-state vehicles at year-end are estimated at 24,090,597 for 1992-93 and 24,391,415 for 1993-94.

As seen in Figure 3-1, there has been virtually no growth in new automobile and commercial truck registrations since 1986-87. The recession is clearly evident in 1990-91, where new auto and truck registrations declined three percent and 17.8 percent, respectively, from the prior year. The

forecast assumes that new vehicle registrations will remain weak throughout the 1992-93 fiscal year, followed by a rather typical recovery. It is important to note, however, that even with strong new vehicle sales, the vehicle license fee revenue base will be dampened for several years due to the mix of fewer, lower valued, one to three year old vehicles in the base.

Effective August 1, 1991, Chapter 87, Statutes of 1991, revised the vehicle license fee depreciation schedule, imposed a 2.2 percent surcharge on those license fees for a period of one year, and requires the Department of Motor Vehicles to reclassify used vehicles based upon their actual purchase price each time the ownership of the vehicle is transferred. All of the revenue from this base change is allocated to local governments for the purpose of funding program realignment. During 1992-93, it is estimated that local governments will realize \$727.5 million from this revenue source, increasing to \$743.5 million during 1993-94.

Vehicle registration fees are levied at a flat rate of \$28 on all motor vehicles, trailers, semi-trailers and certain types of dollies. Trucks and trailers are also subject to fees based on their unladen vehicle weight. Proposition 111, which was approved by the voters in June 1990, increased the weight fees for vehicles with an unladen weight of more than 4,000 pounds by 40 percent effective August 1, 1990, with an additional ten percent increase

Motor Vehicle Fees—\$4,608,435,000

Motor vehicle fees consist of vehicle license, registration, weight, driver's license fees and various other charges related to vehicle operation.

The vehicle license fee is imposed for the privilege of operating a vehicle on the public highways in California. This tax is imposed in lieu of a local personal property tax on automobiles and is administered by the Department of Motor Vehicles. All of the revenues from this tax, other than administrative costs and fees on trailer coaches and mobilehomes, are constitutionally dedicated to local governments.

The vehicle license fee is calculated on the vehicle's "market value," which is the cost to the purchaser exclusive of sales tax, adjusted by a depreciation schedule. For motor vehicles, the schedule is based on an 11-year depreciation period; an 18-year depreciation period is used for trailer coaches. A two percent rate is applied to the depreciated value to determine the fee. Thus, revenue from this source is contingent on the number of vehicles in the state, the ages of those vehicles and their original prices.

The Department of Motor Vehicles administers the VLF for trailer coaches that are not installed on permanent foundations. Those which are installed on permanent foundations (mobilehomes) are subject to either local

effective January 1, 1995. Consistent with the slowdown that has been evidenced in new truck registrations and diesel fuel consumption, these fees have been significantly impacted by the recession.

Motor vehicle fee revenue is summarized in Table 3-9.

Motor Vehicle Fuel Taxes—\$2,625,238,000

The motor vehicle fuel license tax (gasoline) and the use fuel tax (diesel) provide the major sources of funds for maintaining, replacing and building state highway and transportation facilities. Close to one-half of these revenues are apportioned to local jurisdictions for streets and highways use.

The gas tax is imposed on the distribution of gasoline and other flammable liquids. Distributions of diesel fuel, liquid petroleum gas (LPG), alcohol fuel and kerosene are not included under this tax. The current tax rate for motor vehicle fuel is 17 cents per gallon. Aircraft jet fuel is taxed at 2 cents per gallon.

The use fuel tax is imposed on diesel fuel, LPG, natural gas and alcohol fuel for use on State highways. The current tax rates are 17 cents per gallon of diesel fuel, 7 cents per 100 cubic feet of compressed natural gas, 6 cents per gallon of LPG or liquid natural gas and 8.5 cents per gallon of alcohol fuel. In addition, a person may elect to pay a flat rate fuel tax based on vehicle weight in lieu of the tax on LPG. Local transit systems and certain common carriers pay one cent per gallon.

Gasoline consumption and tax revenues are sensitive to the retail price of fuel. (See Figure 3-J). The impact of the Persian Gulf War on gasoline prices is evident during 1990 where seasonally adjusted prices jumped from \$.96 per gallon for the first quarter of the calendar year to \$1.32 for the fourth quarter. This increase was shortlived, however, and prices had declined to \$1.02 per gallon by the second quarter of 1991. Since that time, prices have gradually edged up and by the fourth quarter of calendar year 1992, are estimated to be in the range of \$1.25 per gallon.

The weaker economy has also impacted the consumption of gaso-

Table 3-9
Motor Vehicle Fees Revenue
(Dollars in Thousands)

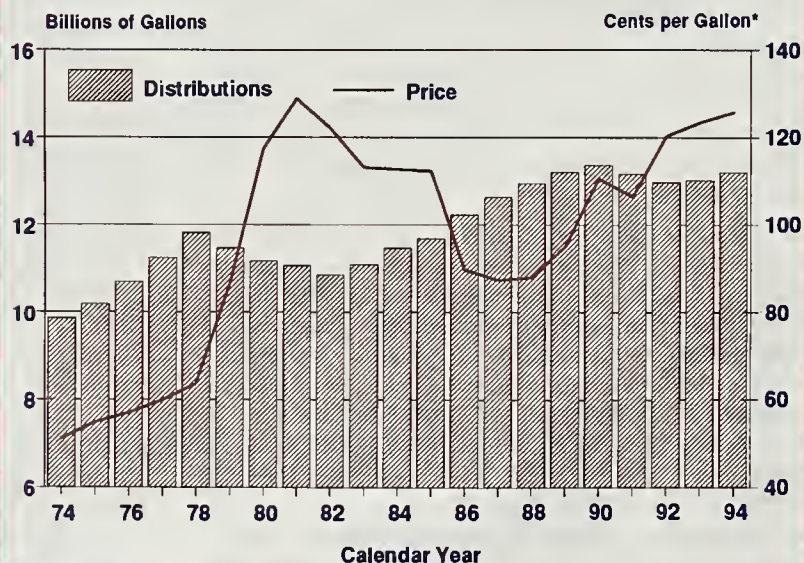
	1991-92 *	1992-93	1993-94
	Actual	Forecast	Forecast
Vehicle License Fees	\$2,263,661	\$2,262,500	\$2,316,700
Realignment	679,642	727,500	743,500
Registration, Weight and Other Fees	1,427,164	1,514,035	1,548,235
Total	\$4,370,467	\$4,504,035	\$4,608,435

* Preliminary

line, which declined 1.5 percent during calendar year 1991. This is the first drop in consumption since the 1982 recession. Even more dramatic is the 7.6 percent drop in diesel fuel consumption for the same time period.

The majority of diesel fuel is consumed by the commercial trucking industry and, as a result, consumption is impacted more by the general health of the economy than by price. Recent years, however, have also been

Figure 3-J
Gasoline Distributions and Average Price per Gallon



* Excluding sales tax

1992, 1993 and 1994 are estimated.

significantly impacted by tax evasion. In response to this problem, Chapter 770, Statutes of 1991, requires producers and wholesalers of diesel fuel to prepay their sales and use fuel taxes effective January 1, 1992. This program mirrors the 1986 prepayment program for gasoline sales and, as can be seen in Figure 3-K, has proved very successful. Since enactment, reported diesel fuel gallonage has increased by over 20 percent from the prior year.

Gasoline consumption is estimated to be relatively flat over the forecast period, declining 0.5 percent during the 1992-93 fiscal year and increasing 1.6 percent during 1993-94. For the same time period, diesel fuel consumption is estimated to increase 9.7 percent and 3.2 percent, respectively. (All of the estimated growth in diesel fuel consumption during the 1992-93 fiscal year is attributable to the prepayment program which was operative for only six months of the prior year.)

Proposition 111, which was enacted June 1990, increased gasoline and diesel fuel tax rates by 5 cents

Table 3-10
Motor Vehicle Fuel Tax Revenue
(Dollars in Thousands)

	1991-92 * Actual	1992-93 Forecast	1993-94 Forecast
Gasoline	\$2,160,441	\$2,107,318	\$2,271,319
Diesel	297,674	320,622	353,919
Total	\$2,458,115	\$2,427,940	\$2,625,238

* Preliminary

per gallon effective August 1, 1990, with an additional 1 cent per gallon increase each January 1 thereafter for four years, bringing the tax rate to 18 cents per gallon effective January 1, 1994. This increase is estimated to generate \$1,088 million during 1992-93 and \$1,257 million during 1993-94 for transportation purposes.

Motor vehicle fuel revenues are shown in Table 3-10.

Figure 3-K

Diesel Fuel Distributions
(Year-to-Year Percent Change)

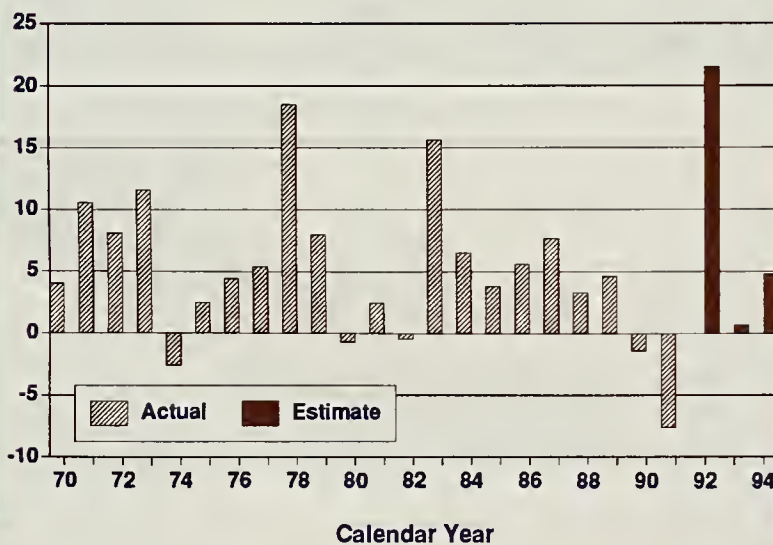


Table 3-11

Summary of State Tax Collections
(Excludes Departmental, Interest and Miscellaneous Revenue)

	<i>Per Capita Personal Income</i> ^{1,2}	<i>State Tax Collections (Millions)</i>		<i>Taxes per Capita</i> ¹		<i>Taxes per \$100 of Personal Income</i> ³	
		<i>General Fund</i>	<i>Total</i>	<i>General Fund</i>	<i>Total</i>	<i>General Fund</i>	<i>Total</i>
1970-71	4,740	4,290	5,599	214.08	279.41	4.52	5.90
1971-72	4,956	5,213	6,599	256.22	324.34	5.17	6.54
1972-73	5,355	5,758	7,229	279.72	351.18	5.22	6.56
1973-74	5,827	6,379	7,877	305.67	377.45	5.25	6.48
1974-75	6,425	8,045	9,574	379.95	452.16	5.91	7.04
1975-76	6,936	9,069	10,710	421.07	497.26	6.07	7.17
1976-77	7,633	10,781	12,525	491.48	570.98	6.44	7.48
1977-78	8,342	12,952	14,826	579.46	663.30	6.95	7.95
1978-79	9,369	14,188	16,201	621.30	709.45	6.63	7.57
1979-80	10,527	16,860	19,057	724.94	819.41	6.89	7.78
1980-81	11,692	17,808	20,000	748.80	840.97	6.40	7.19
1981-82	12,847	19,109	21,556	787.09	887.88	6.13	6.91
1982-83	13,418	19,579	22,375	789.32	902.04	5.88	6.72
1983-84	14,129	22,309	25,685	880.49	1,013.73	6.23	7.18
1984-85	15,400	25,515	29,038	988.34	1,124.81	6.42	7.30
1985-86	16,333	26,982	30,916	1,021.93	1,170.93	6.26	7.17
1986-87	17,137	31,331	35,368	1,158.18	1,307.41	6.76	7.63
1987-88	17,943	31,231	35,616	1,126.78	1,284.99	6.28	7.16
1988-89	18,824	35,647	40,619	1,255.49	1,430.60	6.67	7.60
1989-90	19,750	37,248	43,046	1,278.16	1,477.11	6.47	7.48
1990-91	20,572	38,214	47,024	1,274.82	1,568.72	6.20	7.63
1991-92	20,377	40,072	48,973	1,307.58	1,598.02	6.42	7.84
1992-93 ^e	20,484	39,053	48,129	1,248.38	1,538.50	6.09	7.51
1993-94^e	20,781	38,463	47,892	1,204.72	1,500.05	5.80	7.22

¹ Per Capita computations are based on July 1 populations estimates, benchmarked to the 1990 Census.

² Personal income data are on a calendar year basis (e.g., 1987 for FY 1987-88).

³ Taxes per \$100 personal income computed using calendar year personal income (e.g. 1987 income related to 1987-88 tax collections).

^e Estimated.

Table 3-12

Outline of State Tax System as of January 1, 1993

<i>Major Taxes and Fees</i>	<i>Base or Measure</i>	<i>Rate</i>	<i>Administering Agency</i>	<i>Fund</i>
Alcoholic Beverage Excise Taxes:				
Beer.....	Gallon	\$0.20	Equalization ¹	General
Distilled Spirits.....	Gallon	\$3.30	Equalization	General
Dry Wine	Gallon	\$0.20	Equalization	General
Sweet Wine	Gallon	\$0.20	Equalization	General
Sparkling Wine	Gallon	\$0.30	Equalization	General
Hard Cider	Gallon	\$0.20	Equalization	General
Bank and Corporation:				
General Corporation.....	Net income	9.3% ²	Franchise ³	General
Bank and Financial Corp.	Net income	11.1% Max	Franchise.....	General
Alternate Minimum Tax....	Alternate Taxable Income	7.0%	Franchise.....	General
Tobacco:				
Cigarette.....	Package	\$0.35 ⁴	Equalization	Cigarette Tax, Cigarette and Tobacco Products Surtax
Other Tobacco Products.....	Wholesale price.....	26.82%	Equalization	Cigarette and Tobacco Products Surtax
Energy Resources Surcharge.....	Kilowatt hours	\$0.0002	Equalization	Energy Resources Surcharge Fund
Horse Racing License.....	Amount wagered.....	0.5–6.45%	Horse Racing Board.....	Fair and Expo ⁵ Satellite Wagering ⁶ Wildlife Restoration and General
Estate	Taxable Federal estate	0–100%	Horse Racing Board.....	General
Insurance	Gross Premiums.....	0.8–16%	Controller.....	General
Liquor license fees.....	Type of license	2.35% ⁷ Various	Insurance Dept. Alcoholic Beverage Control	General General
Motor Vehicle:				
Vehicle license fees	Market value	2.0%	Motor Vehicle Dept.....	Motor Vehicle License Fee and Local Revenue ⁸
Fuel—Gasoline	Gallon	\$0.17 ⁹	Equalization	Motor Vehicle Fuel ¹⁰
Fuel—Diesel	Gallon	\$0.17 ⁹	Equalization	Motor Vehicle Fuel ¹⁰
Registration Fees	Vehicle	\$28.00	Motor Vehicle Dept.....	Motor Vehicle ¹¹
Weight Fees	Unladen weight.....	Various	Motor Vehicle Dept.....	State Highway ¹²
Personal Income.....	Taxable income	1–11%	Franchise.....	General
Alternate Minimum Tax....	Alternate Taxable Income	8.5%	Franchise.....	General
Private Railroad Car	Valuation.....	¹³	Equalization	General
Retail Sales and Use.....	Receipts from sales or lease of taxable items.....	6.00% ¹⁴	Equalization	General, and Local Revenue

Source: State of California, Department of Finance

¹ State Board of Equalization.² Minimum tax \$800 per year.³ Franchise Tax Board.⁴ This tax is levied at the combined rate of 10 cents per pack of 20 for the cigarette tax and 25 cents per pack for the cigarette and tobacco products surtax.⁵ For support of county fairs and other activities.⁶ For construction of Satellite Wagering Facilities and health and safety repairs at fair sites.⁷ Ocean marine insurance is taxed at the rate of 5 percent of underwriting profit attributable to California business. Special rates also apply to certain pension and profit sharing plans and surplus lines.⁸ For return to cities and counties. Trailer coach license fees are deposited in the General Fund.⁹ Increase to \$0.18 on 1/1/94.¹⁰ For administrative expenses and apportionment to State, counties and cities for highways, airports and small craft harbors.¹¹ For support of State Department of Motor Vehicles, California Highway Patrol, other agencies and motor vehicle related programs.¹² For state highways and State Department of Motor Vehicles administrative expense.¹³ Average property tax rate in the State during preceding year.¹⁴ Includes a 5.50% rate for the State General Fund and Transportation Fund and a 0.50% rate for local governments. General Fund rate will be reduced to 5.00% effective 7/1/93.

Table 3-13

Comparative Yield of State Taxes, 1970-71 through 1993-94
(Includes Both General Fund and Special Funds)

(Dollars in Thousands)

<i>Year Ending June 30</i>	<i>Sales and Use</i>	<i>Personal Income</i>	<i>Bank and Corpora- tion ^a</i>	<i>Tobacco ^b</i>	<i>Estate Inheritance & Gift ^c</i>	<i>Insurance ^d</i>	<i>Alcoholic Beverages ^e</i>	<i>Horse Racing ^f</i>	<i>Motor Vehicle Fuel ^g</i>	<i>Vehicle Fees ^h</i>
1971	1,808,052	1,264,383	532,091	239,721	185,699	158,423	106,556	64,601	674,635	513,202
1972	2,015,993	1,785,618	662,522	247,424	220,192	170,179	112,091	69,380	712,426	547,845
1973	2,198,523	1,884,058	866,117	253,602	260,119	179,674	114,884	72,693	746,196	596,922
1974	2,675,738	1,829,385	1,057,191	258,921	231,934	201,697	119,312	78,289	742,702	644,448
1975	3,376,078	2,579,676	1,253,673	261,975	242,627	202,991	120,749	86,637	752,234	664,453
1976	3,742,524	3,086,611	1,286,515	268,610	316,648	241,224	125,313	96,117	766,555	749,936
1977	4,314,201	3,761,356	1,641,500	269,384	367,964	322,476	127,485	102,702	810,321	807,782
1978	5,030,438	4,667,887	2,082,208	273,658	365,092	387,560	132,060	111,591	850,181	924,410
1979	5,780,919	4,761,571	2,381,223	268,816	416,955	420,184	140,059	112,856	896,591	1,021,856
1980	6,623,521	6,506,015	2,510,039	290,043	465,611	446,228	138,940	127,002	852,752	1,096,640
1981	7,131,429	6,628,694	2,730,624	278,161	530,185	460,926	142,860	129,779	839,994	1,127,293
1982	7,689,023	7,483,007	2,648,735	276,824	482,300	454,984	139,523	119,626	833,446	1,373,354
1983	7,795,488	7,701,099	2,536,011	271,621	517,875	736,929	136,209	120,159	928,633	1,614,993
1984	8,797,865	9,290,279	3,231,281	263,231	236,452	457,490	137,433	141,001	1,213,167	1,906,290
1985	9,797,564	10,807,706	3,664,593	262,868	296,805	643,139	135,786	133,814	1,159,637	2,137,326
1986	10,317,930	11,413,040	3,843,024	258,141	252,810	839,939	132,262	131,592	1,194,172	2,515,295
1987	10,904,022	13,924,527	4,800,843	255,076	273,089	1,008,804	131,288	131,733	1,245,881	2,692,835
1988	11,650,531	12,950,346	4,776,388	250,572	304,148	1,158,321	128,734	132,208	1,293,254	2,966,334
1989	12,650,893	15,886,361	5,138,009	559,616	335,092	1,317,630	128,264	143,379	1,320,512	3,139,011
1990	13,917,731	16,903,654	4,964,842	787,075	388,527	1,167,684	128,523	147,920	1,349,146	3,305,711
1991	13,839,426	16,848,927	4,545,384	746,401	498,774	1,286,198	129,640	148,279	1,988,490	3,510,279
1992 ⁱ	17,582,575	17,240,204	4,537,964	719,370	446,696	1,167,307	321,352	129,364	2,458,115	4,370,467
1993 *	16,655,800	16,761,312	4,895,000	705,720	540,000	1,212,000	307,000	120,615	2,427,940	4,504,035
1994 *	15,886,400	16,901,797	4,945,000	688,763	608,000	1,223,000	291,000	114,832	2,625,238	4,608,435

^a Includes the corporation income tax and, commencing with 1989 data, the unitary election fee.

^b Proposition 99 (November 1988) increased the cigarette tax to \$0.35 per pack and added an equivalent tax to other tobacco products.

^c Proposition 6 (June 1982) repealed the inheritance and gift taxes and imposed an estate tax equal to the maximum allowable Federal estate tax credit effective for decedents dying on or after June 8, 1982.

^d The conclusion of litigation resulted in additional revenue of \$51 million in 1987-88, \$178 million in 1988-89, \$7 million in 1990-91, and \$5 million in 1991-92.

^e Alcoholic beverage excise taxes were significantly increased effective July 15, 1991.

^f Beginning in 1988-89, includes revenues from satellite wagering that were not included in prior years.

^g Motor vehicle fuel tax (gasoline), use fuel tax (diesel) and liquefied petroleum gas.

^h Registration and weight fees, motor vehicle license fees, and other fees.

ⁱ Some figures for 1992 may be preliminary.

* Estimated.

Reinventing State Government

The Evolving State Workforce

In the current year, the State of California will spend approximately \$13.1 billion from all fund sources to pay the salaries and benefits of approximately 262,300* employees, 130,200 (49.6 percent) of whom are funded from the State's General Fund. The distribution of the State's work force is displayed in Figures 4-A and 4-B.

As Figure 4-A illustrates, seven of every ten employees work in one of five functional areas:

- higher education
- corrections
- transportation
- 24-hour care institutions
- public safety.

All other State functions are performed by the remaining 30 percent of the State work force. These functions include a wide range of essential operations such as:

- environmental protection
- resource conservation
- parks and recreation
- flood control
- consumer protection
- rehabilitation and disability services
- unemployment insurance and employment services
- taxation and revenue collection
- justice and judicial services
- fiscal control
- treasury
- medical, health and social services
- food safety and agricultural development, marketing and export
- economic development and international trade
- worker safety

- K-14 education
- and scores of others.

Historical Perspective

Trends in Total Employment. In 1982-83, the State had 225,600 employees; by 1992-93, the State work force totaled approximately 262,300* employees, an increase of 16.3 percent. In the same period, California's population increased by 26 percent from 24.8 million to 31.3 million citizens and the State's total non-farm payroll employment increased by 30 percent. The number of State employees per 1,000 Californians decreased 9 percent, from 9.2 per 1,000 residents to 8.4 per 1,000 residents. Of the 50 states, California ranks 49th in full-time equivalent state employment per 1,000 residents.

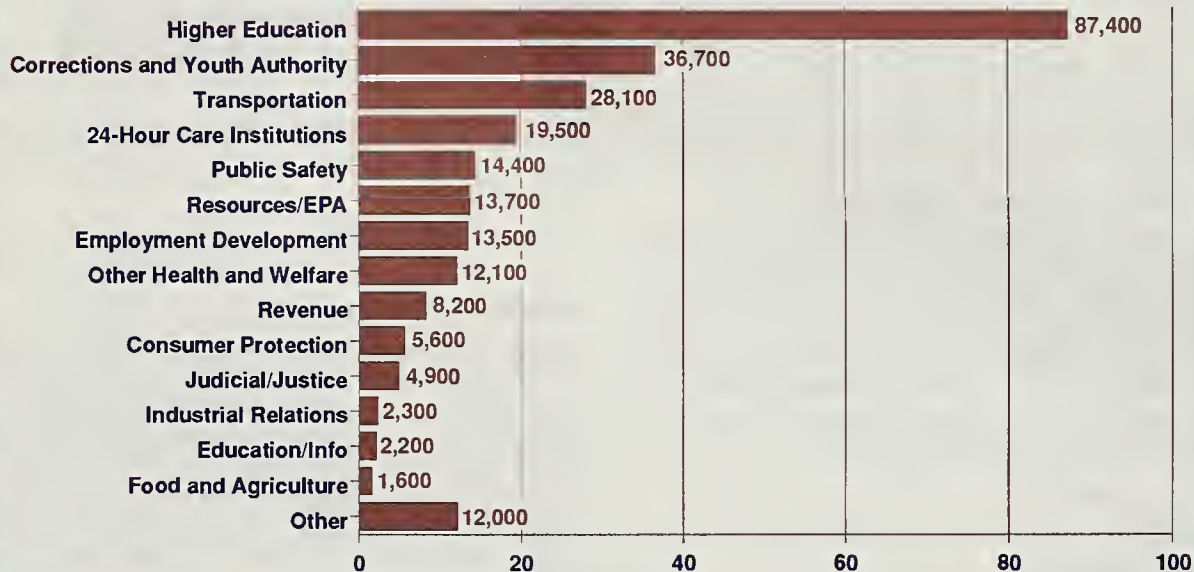
State employees work in the occupational groups shown in Figure 4-C. This figure shows the following major occupational group trends:

- The greatest growth in employment has occurred in the correctional area: staffing has increased by nearly 155 percent or by 22,300 employees primarily due to a 300 percent increase in the inmate population during the 1980s. Correctional employees have grown from 6.4 percent to 14 percent of the total State workforce.
- Transportation staffing has increased by about 27 percent or by 5,900 employees. These increases are primarily related to implementation of Proposition 111, which the voters approved in June 1990. The transportation area has grown from 9.8 percent to 10.7 percent of the total State workforce.
- Resources/EPA staffing has increased by 33 percent or by 3,300 employees. These areas have grown from 4.5 percent to 5.1 percent of the total State workforce.
- Staffing has also increased in several other occupational areas, including: consumer protection, justice and judicial, and public safety.

* All personnel year numbers exclude legislators, legislative staff and State Compensation Insurance Fund employees.

Figure 4-A
State Personnel Years
All Funds
1992-93 Estimated

(Scale In Thousands)



- Staffing has decreased in three areas: food and agriculture, 24-hour care, and higher education. Food and agriculture employment is down by less than 50 employees and 24-hour care by about 150 employees (due to continued institutional population decreases).
- The majority of staffing decreases have occurred in the area of higher education. Total employment has decreased by about 7.2 percent or by 6,800 staff. As a percentage of the total State work force, staffing is down from 41.8 percent to 33.3 percent.

Trends in Employment by Fund Source. In 1982-83, about 120,900* employees were paid from the General Fund. The number of General Fund employees increased throughout the 1980's, reaching its peak in 1989-90 with 140,300 positions supported by the General Fund.

In the subsequent three years, General Fund employment has declined by 10,100 jobs (see Figure 4-D), primarily due to General Fund revenue constraints. As a result, General Fund employment has fallen from 53.6 percent to 49.6 percent of total State employment. In the last three years, General Fund employment has fallen or

remained constant in all occupational areas but two: revenue and tax collection, up by 790 employees; and the correctional area, up by 6,660 employees. Figure 4-E portrays the changes in broad General Fund occupational categories since 1989-90.

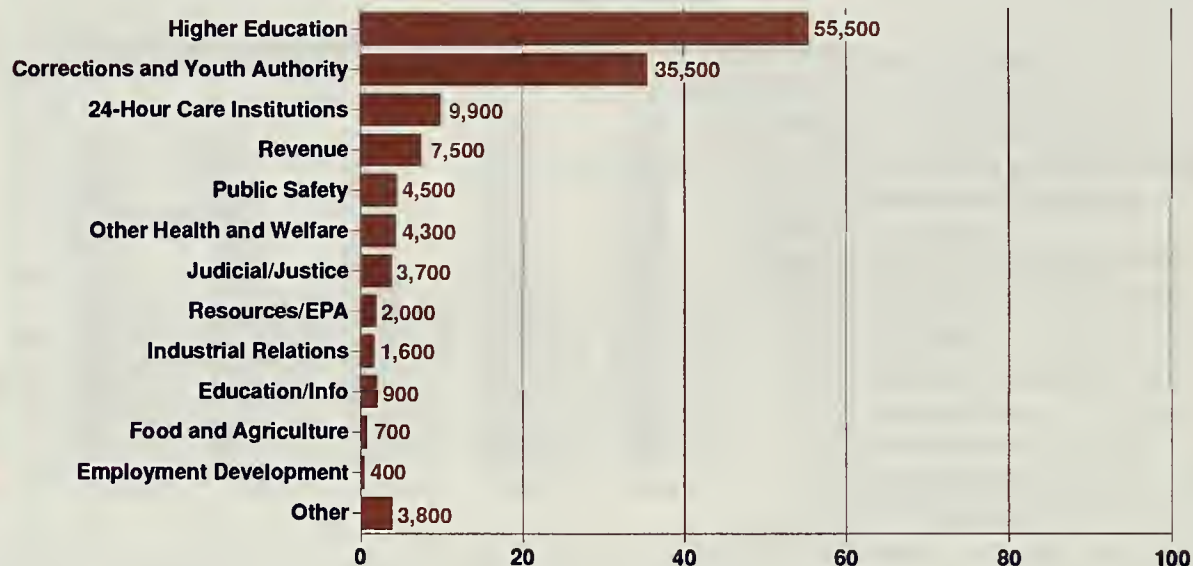
Despite these significant General Fund job reductions in most occupational areas the size of the State's total workforce has increased about 5 percent due to increases in the correctional area and in special fund departments, most notably the Employment Development Department and the Department of Transportation. The Department of Transportation has hired over 2,500 employees to design, expand and maintain California's highways and mass transportation systems. The Employment Development Department, has added over 3,800 employees to directly serve California's unemployed and job-seeking citizens during the current recession. Figure 4-F portrays changes in employment in those departments with the largest numerical changes since 1989-90. Had it not been for position increases in these areas, total State employment today would be at the level it was in 1988-89.

* All personnel year numbers exclude legislators, legislative staff and State Compensation Insurance Fund employees.

Figure 4-B

**State Personnel Years
General Fund
1992-93 Estimated**

(Scale In Thousands)



Downsizing State Operations

The Governor's Budget proposes \$27.2 billion for support of local assistance items, amounting to 72.8 percent of total General Fund expenditures in 1993-94. Local assistance programs include grants to individuals and local agencies. The remaining 27.2 percent, amounting to \$10.1 billion, will support State operations. Table 4-1 displays the primary components of state operations.

The table shows that 82 percent of General Fund spending for State Operations is for support of higher education, prisons, public safety, debt service, and the cost of collective bargaining agreements and payment of health benefits to State annuitants. An additional 7 percent supports the State's revenue agencies, the Legislature, and the State Judiciary. State

Table 4-1

**General Fund Support for State Operations
1993-94**

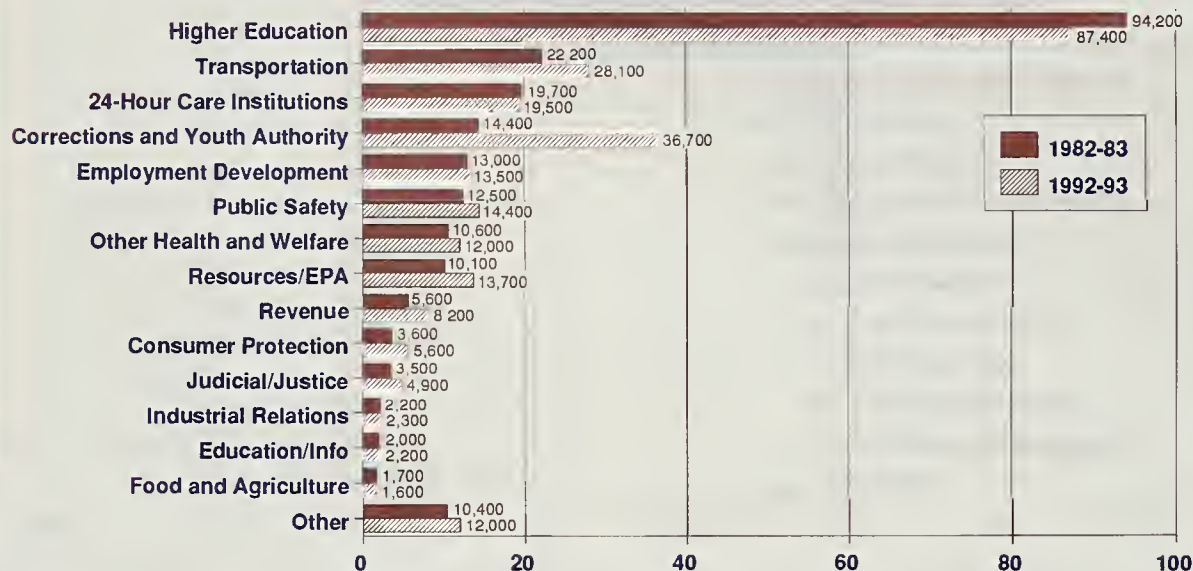
(Dollars in Millions)

Higher Education	\$3,128
Corrections/Youth Authority	2,527
Debt Service.....	2,091
Public Safety.....	421
Employee Compensation and Health Benefits for Annu- itants	464
Revenue Agencies.....	385
Institutions	263
Legislature.....	174
Judiciary	159
All Other	964
Total	\$10,576 *

* Exclusive of statewide undistributed savings.

Figure 4-C
State Personnel Years
10-Year Comparison
1982-83 to 1992-93
All Funds

(Scale In Thousands)



hospitals, developmental centers, the home for veterans and special schools represent a further 2 percent. The remaining 9 percent supports the operations of the constitutional officers and all other traditional State functions, including health and welfare administration, the Departments of Industrial Relations and Food and Agriculture, resources programs, and a host of smaller departments.

These traditional State functions represent a relatively small portion of General Fund expenditures. In addition, their funding levels have been reduced substantially in recent fiscal years. In 1991-92, State operations (including higher education and corrections) were reduced by \$390 million through application of the so-called "trigger", plus an additional \$351 million through application of Section 3.90 of the 1991 Budget Act. In 1992-93, State operations have been reduced by \$160 million through application of Section 3.90 of the 1992 Budget Act.

Notwithstanding these past reductions, the State's serious fiscal condition requires further reductions in State operations. The Governor's Budget proposes the following:

- A reduction of \$150 million in State operations, exclusive of correctional institutions, other 24-hour care institutions, higher education, major revenue produc-

ing departments, public safety, debt service, health benefits for annuitants, employee compensation, the Legislature and the Judiciary. This reduction is equivalent to a 15 percent reduction in remaining functions. These reductions would be allocated by the Department of Finance pursuant to a control section in the Budget Act.

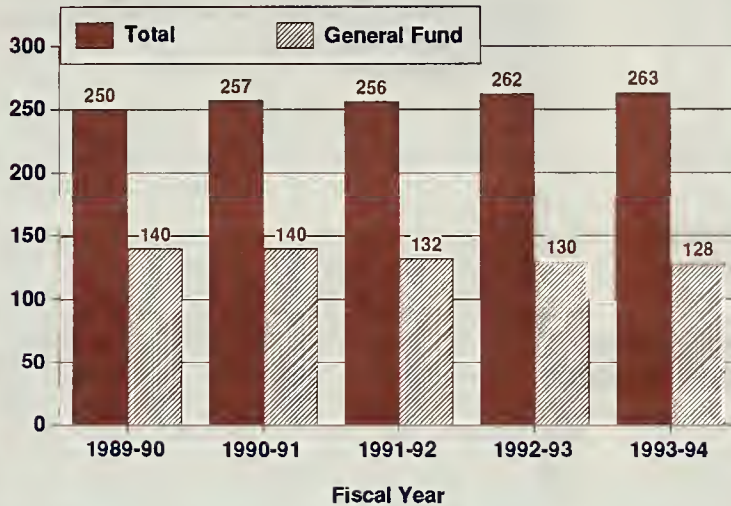
- The Administration requests that the Legislature voluntarily reduce its own funding by 15 percent below the level requested, for a savings of \$26 million.
- The Administration requests that the Judiciary voluntarily reduce its own funding by 15 percent below the level requested, for a savings of \$21 million.
- The Governor has eliminated all expenditures from his contingent expenses and personal residence funds. The Administration requests that all constitutional officers voluntarily eliminate all expenditures from their contingent expenses funds.

These reductions, following two fiscal years of substantial downsizing, will likely result in a substantial reduction in the level of service provided by these programs. In order to accommodate these reductions, departments will require new management tools, including the following:

Figure 4-D

**State Personnel Years
Total and General Fund
1989-90 through 1993-94**

(Scale In Thousands)



- Reorganization of executive branch organizations to reflect the reduced level of funding and to eliminate funding for low-priority functions.
- Expanded use of information and communications technologies. Appropriate use of these technologies has the potential to reduce management costs by expanding the span of control, and to improve quality of service delivery.

These three efforts together comprise a comprehensive strategy to streamline and modernize state operations in light of the new fiscal realities facing the State of California.

Performance Budgeting

The Failure of the Workload Budget Concept. The State's traditional budgeting process was designed to allocate resources in a time of increasing State revenues. The Executive Branch phase of this process begins by developing a workload budget for each program for the upcoming fiscal year. The workload budget is calculated by adjusting the program's authorized level of spending in the

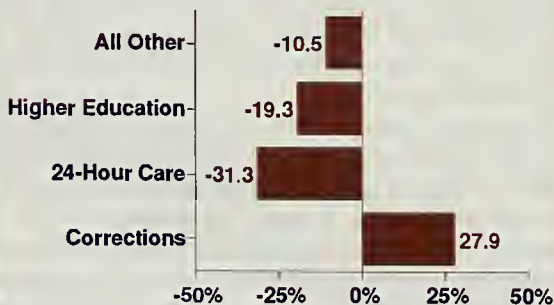
current fiscal year for one-time costs, increases in the cost of operations, implementation of new legislation, and for additional workload anticipated under current law. Once each program's workload budget is established, the State's estimated remaining resources are allocated to high priority budget change proposals. In fiscal years where revenues are insufficient to support the baseline budgets of all programs, the workload budget is reduced to the level of available funds. Such "reductions" can actually result in spending increases from one fiscal year to the next.

The concept of the workload budget is deeply ingrained in the budgeting process in both branches of government. While this process operated well during times of increasing State resources, it has become seriously dysfunctional in recent years as revenues have declined. The process of developing a workload budget has created unrealistic expectations among department managers and employees, elected officials, and program recipients that the current level of service is an entitlement that can be continued without regard to the State's fiscal condition. It makes no allowance at all for productivity or quality improvements. It places too much emphasis on the level of funding promised to each program, and to little emphasis on program performance. Finally, it has relegated the development of the budget to a technical calculation of desired levels of

Figure 4-E

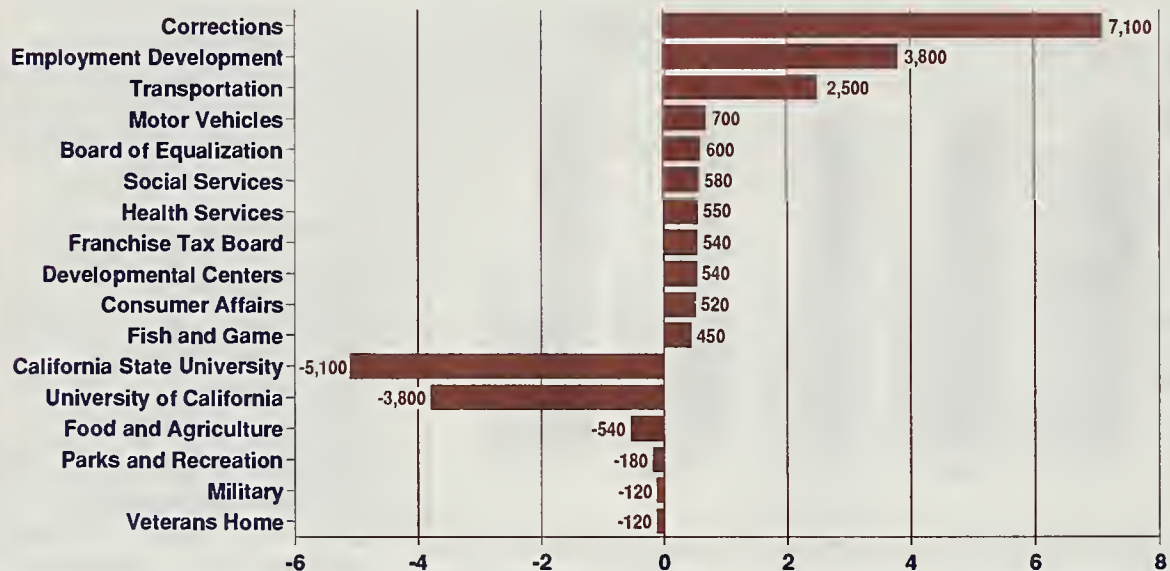
**Change in General Fund
Personnel Years
1989-90 to 1993-94**

(Percent Change)



- Implementing pilot projects to test the feasibility of a new method of budgeting, known as performance budgeting, to replace the traditional workload budget method.

Figure 4-F
State Personnel Years
Changes in Employment
All Funds
1989-90 to 1992-93
(Scale In Thousands)



funding, when the budget should instead be a tool for improving program management.

Elements of Performance Budgeting. Performance budgeting seeks to obtain a more appropriate balance between funding entitlements derived from the calculation of a workload budget and organizational performance. The development of a performance budget requires budget writers and program managers to determine the best method to maximize program performance and enhance service delivery, given a realistic level of available funding. Performance budgeting has the following essential elements:

- An emphasis on long-term strategic planning. State officials would be required to identify the central mission of the program, and to develop strategies for addressing the mission.
- Development of performance measures. The strategic plan would contain measurable objectives to determine program performance in implementing the strategic objectives. These performance measures would be formally incorporated into the department's program and financial planning process.
- Benchmarks for operational efficiency. Program managers would be required to develop benchmarks for measuring improvements in operational efficiency, to implement the information systems necessary for monitoring the benchmarks, and to report their progress against these benchmarks.
- Annual budgetary contracts. Annual budgets would take the form of a contract between legislative budget writers and the Administration. The contracts would specify the resources provided to the program, the level of program performance to be delivered by the program, the procedures for holding the program accountable for the level of performance, and the scope of operational flexibility to be provided to program managers.
- Operational flexibility. The Legislature and Executive Branch control agencies would agree to provide program managers with additional operational flexibility needed to enhance program performance within the level of resources provided. This additional flexibility would provide managers greater discretion regarding personnel classification issues, contracting for services, and procurement. In addition, the program may require relief from certain statutory requirements specifying certain activities, program eligibility, or level of service.
- Incentives for performance and efficiency. The budget contract would explicitly permit the program to reinvest 50 percent of any savings resulting from opera-

tional efficiencies into discretionary activities within the program's budget for the following fiscal year, thereby giving program managers strong incentives to identify and implement innovative strategies.

- A commitment to quality improvement. Performance budgeting requires management commitment to quality improvement, which means giving the greatest emphasis to customer service. Successful quality improvement efforts have used methods of constant innovation to redesign work systems to promote operational efficiency and customer satisfaction. Quality improvements are implemented by systematically identifying the best methods used by other public and private organizations. Existing employees are also an important source of quality improvement. Successful quality efforts have sought to empower line employees to identify and implement new methods of improving customer satisfaction.

A Proposal to Pilot Test Performance Budgeting. Replacing the traditional workload budgeting system with a performance-based system would be a vast undertaking. Nonetheless, the Administration believes that performance budgeting, along with the testing of quality improvement pilot projects, could result in substantial cost savings, improved program performance, enhanced citizen satisfaction, and greater accountability. Accordingly, the Administration is proposing to establish performance budgeting pilot projects in four departments. Budget contracts would be implemented in the 1993–94 fiscal year, so the planning efforts conducted with the Legislature would need to begin immediately in January of 1993.

Reorganizing the Executive Branch

Downsizing Executive Branch operations requires more than simply reducing funding, setting priorities, and improving operational flexibility. The historical growth of State government has resulted in the development of certain organizational structures that unnecessarily fragment governmental responsibilities among different departments, or which no longer provide high-priority services to California residents.

Accordingly, the Governor's Budget has identified the following for review and consideration. The goal of these changes is to consolidate functions, reduce costs, and improve accountability to elected officials and the public.

Legislative, Judicial and Executive

- Consolidate the World Trade Commission, the Overseas Trade Offices, and the Department of Commerce into a Trade and Commerce Agency.

- Reorganize the Auditor General under the Little Hoover Commission.
- Eliminate the Franchise Tax Board (FTB) and integrate various tax administration functions of the FTB and Board of Equalization into a Department of Revenue.
- Eliminate the Commission on State Finance.
- Eliminate the California Debt Advisory Commission.
- Consolidate various revenue bond financing authorities into a single State Revenue Bond Authority and reduce funding by 50 percent.

State and Consumer Services

- Phase out the State Allocation Board by 1995 and shift remaining responsibilities to the Public Works Board.

Business, Transportation and Housing

- Eliminate the Department of Savings and Loan, and transfer its functions to the Office of Savings and Loan Administration in the Business, Transportation and Housing Agency.

Resources

- Eliminate the State Lands Commission and transfer its functions to be managed within the Resources Agency.
- Eliminate the Energy Commission and transfer its functions to be managed within the Resources Agency, the Trade and Commerce Agency, and/or the Public Utilities Commission.

Health and Welfare

- Close one state hospital in order to reduce increased overhead costs resulting from the 1991–92 program realignment.

Education

- Privatize Hastings School of Law, Boalt School of Law, the UC Davis Law School or the UCLA Law School by 1996. The Administration is requesting that the Regents of the University of California study this issue and report to the Legislature and Governor by October 1, 1993.
- Privatize the California Maritime Academy by 1997 or combine it with the California State University system. The Administration is requesting that the Board of Governors study this issue and report to the Legislature and Governor by October 1, 1993.

General Government

- Privatize the California Arts Council by 1995. This proposal would reduce State funding for the Council by 50 percent in 1993–94 and would eliminate it in 1994–95.
- Eliminate the Agricultural Labor Relations Board and divide its functions between the Public Employment Relations Board and the Department of Industrial Relations.
- Transfer the Health Benefits Division of PERS to the Department of Personnel Administration.
- Eliminate the California Auctioneer Commission.
- Privatize the various District Agricultural Associations. The Governor has requested that the Director of Food and Agriculture study this issue and report to the Legislature and Governor by March 1, 1993.
- Eliminate 78 State-funded advisory boards and commissions.

Information and Communications Technology

Information will be an increasingly important strategic resource during the remainder of this century, as State departments shift to a preventive stance and create improved channels for delivery of public services. The State will employ information technology as a primary tool for responding to the social, political, and economic challenges of the 1990s. Its past investment in technology will pay continuing dividends by helping departments maintain necessary levels of program services without having to undertake costly program expansions.

Because they have used information technology to make themselves more efficient, departments will be better able to manage growing workloads, new mandates and restricted budgets. Technical innovation will allow a new, more friendly aspect of government, while reducing the cost of many public services.

Information Technology Transforming California Government. The State's established technical infrastructure is being used to transform departmental business practices. Not only are costs being reduced and the productivity of knowledge and service workers increased, but services are becoming more accessible to the public. Info/California, for example, which provides a wide variety of governmental services through electronic kiosks located throughout the State, is giving the people of California seven-day-a-week, 24-hour-a-day access to government. Other programs are enhancing the ability of State service workers to respond to public needs by providing structured information to support decisionmaking.

The benefits of information technology are substantial:

- Information technology provides timely access to needed information. Information technology allows access to real-time, on-line information tailored to the

specific needs of users, helping departmental staff to respond more quickly and more accurately with better services.

- Information technology enhances professional performance. Ideas, insight and creativity cannot be replaced by information technology. But what technology *can* do is provide powerful extensions of human skills for processing information. Electronic tools not only replace much that is routine, but create new opportunities for professional accomplishment.
- Information technology provides better management control over program activities. Information technology makes day-to-day work more efficient and gives executives and managers increased control over the accomplishment of program objectives. Electronic mail and shared databases allow an integration of business functions at all levels.
- Information technology reduces the cost of government. Computers have paid for themselves over and over again by giving departments the means to provide better services at lower cost to California's citizens. California has among the fewest state employees per capita of any state. One national publication attributes this important statistic to California's, "sophisticated and precisely targeted computerization," noting that, "... the State has maintained consistency and vision in managing information with computers and eliminating paperwork."
- Finally, and most importantly, information technology can transform the business of State government. During the 1970s and 1980s, California primarily invested in information technology to increase the efficiency of established operations through automation. Technology was employed to control costs or, in some cases, to allow processing of a volume of transactions that would be impossible without automation. Accordingly, the impact of information technology on government tended to be quantitative rather than qualitative. As the 1980s drew to a close, however, CAL-ID was implemented—the first of the great transformational applications of information technology in State government. This automated fingerprint identification system at the Department of Justice did much more than simply increase the efficiency of the identification process: it created an entirely new law enforcement capability. CAL-ID allowed the police to identify (and ultimately convict) a serial killer in conjunction with the initial trial run of the new system. Such qualitative transformations of public programs are at the heart of the strategic vision for information technology that will dominate the 1990s.

State executives recognize the strategic value of information, including how technical improvements in the collection, storage, processing and dissemination of data result in improved services to the people of California. Management is committed to identifying

innovative applications of information technology, in many cases acting in partnership with California's electronics industry.

State-Level Strategies Support Departmental Programs.

State-level strategies for information technology involve recognizing information as a strategic resource, realizing maximum benefit from the State's established information infrastructure, and managing the technology for competitive advantage.

- Information as a strategic resource. Thoughtful applications of information technology can produce substantial and sustainable improvements in State operations. These improvements include increased productivity and reduced costs. Technology can be employed to create whole new channels for the delivery of State services. However, achieving major improvements involves more than automating an existing process or installing a new piece of equipment. Technology can only make a real difference when it is employed in support of clearly defined agency business strategies and when the agency is willing to make necessary organizational changes. Accordingly, applications of information technology must be aligned with agency business strategies, and opportunities presented by new developments in information technology must be considered. Priority must be given to the identification and implementation of transformational systems that make fundamental improvements in business practices, are essential for the attainment of strategic goals or enhance the relationship between the State and its clients or suppliers.
- Leveraging the established infrastructure. The State's technical infrastructures are its platforms for the delivery of information. At both the State level and within individual agencies, these infrastructures include equipment (ranging from mainframe computers to individual workstations and associated peripherals); software (systems, applications, productivity, and network software); communications (local and wide area network capabilities); people (technical management and staff, as well as users of information technology); and policies (procedures, practices and standards that define and control the selection and use of information technologies and the management of information).

During the 1990s, the State of California will maximize the return on its past and current investments in technical infrastructures. Each State agency will establish an infrastructure that will provide a cost-effective foundation for satisfying current and future information requirements. Established infrastructures, both at the State level and within individual agencies, will be leveraged to the maximum extent possible when responding to newly identified needs and opportunities. Agencies will establish the ability to share data across programs in order to enhance services to a common clientele, resolve shared problems, avoid duplication of data collection and record

keeping, and minimize costs. Statewide information technology standards will be established when the adoption of the standard will further the State's strategic interests.

- Managing for competitive advantage. Whether it be the private sector or the public sector, business will not be "business as usual" during the 1990s. The turbulence of a global economic transition, the need to be responsive to a rapidly growing, culturally diverse electorate, and the availability of new technologies and new approaches to technical management demand that those in State government who are responsible for the management of computers and telecommunications assume roles in State agencies that are often radically different from the past. The State's information managers are required to adopt a new attitude toward their responsibilities that can be described as "competitive."

The State will provide an environment that enables State managers to seek and implement innovative solutions to agency information needs and that is free of unnecessary barriers. State policies and practices will support thoughtful innovation in the management of information resources and the development and acquisition of information management capabilities.

Information Crosses Departmental Boundaries.

State policies assign fundamental responsibility for the management of information and information technology to the individual agency because most developments of new information management capabilities are in response to the unique requirements of a single agency. However, a growing number of opportunities for automation involve more than a single agency and can only be successfully addressed through multi-agency or statewide efforts. Accordingly, Governor Wilson, through Executive Order W-37-92, has created the Multi-Agency Information Management Authority, comprised of the undersecretaries of the cabinet-level agencies and the Chief Deputy Director of the Governor's Office of Planning and Research. The responsibilities of this body are to provide continuing leadership within the State government for the identification, initiation and implementation of information management capabilities that are of a multi-agency scope.

Among the projects that fall into the multi-agency category are:

- Projects with a significant information management need that is shared by a number of agencies. Examples include electronic service delivery at remote locations; field office operations; hospital management; licensing and enforcement; and applications of information technology to a variety of administrative functions.
- Telecommunications projects for the consolidation of networks that transport data throughout the State and establish new forms of communication, such as video conferencing, voice response, and voice mail services.

- Projects allowing the State to benefit from the coordinated adoption of an established national standard, such as the standards for electronic funds transfer and electronic benefits payment.
- Projects that involve emerging technologies and that respond to a one-time opportunity to establish effective statewide standards. Examples include projects involving Computer-Assisted Software Engineering (CASE), Geographic Information Systems (GIS), and systems for the processing of documents as images.

Partnerships With California Business. When it comes to electronics, California has the home field advantage. California firms employ more electronics workers than the next three states combined; over half of the computer chip companies that have been started worldwide in the past ten years have been started in California; California firms have fifty percent of the independent software revenue in the nation; and nearly one-third of the country's microcomputer producers and suppliers are California companies.

California private enterprise leads the nation in such diverse aspects of information technology as artificial

intelligence, local area networks, computer-aided engineering, and optical disk storage and retrieval systems.

The State of California is establishing working partnerships with a number of California-based firms that are leaders in the development of advanced information technologies. The companies' expertise in technology will provide significantly enhanced computing solutions for State workers, strengthening the State's information management capabilities. In addition, the success of these strategic partnerships will further California's continuing technological leadership.

The State of California has established a working relationship with many private sector firms as a means of exploring ways of incorporating the results of these partnerships into workable solutions for government. In doing so, the State is encouraging the development of more competitive American products, as well as receiving the benefits of the latest technological advancements. Growth in the high technology industry not only creates jobs and opportunities, but keeps California on the leading edge of development.

The State and Local Fiscal Relationship

In 1978, California voters approved Proposition 13, which reduced local government property tax revenue by \$6.8 billion in 1978 dollars. That reduction is equivalent to \$15.4 billion in 1992 dollars.

The State responded to Proposition 13 by replacing \$4.4 billion of those lost revenues in 1978–79. A permanent fiscal relief mechanism, totalling roughly \$5 billion, adopted in 1979 had two major mechanisms. First, the State bought out a major portion of county health and welfare expenses. Second, the State shifted a substantial amount of remaining property tax revenue from K–14 school districts to cities, counties and special districts. With that shift, the State assumed a much larger share of responsibility for funding local schools. Prior to Proposition 13, fifty-three percent of total property taxes went to support K–14 schools. In 1991–92, the proportion of property taxes supporting schools was just thirty-five percent (see Figure 5-A).

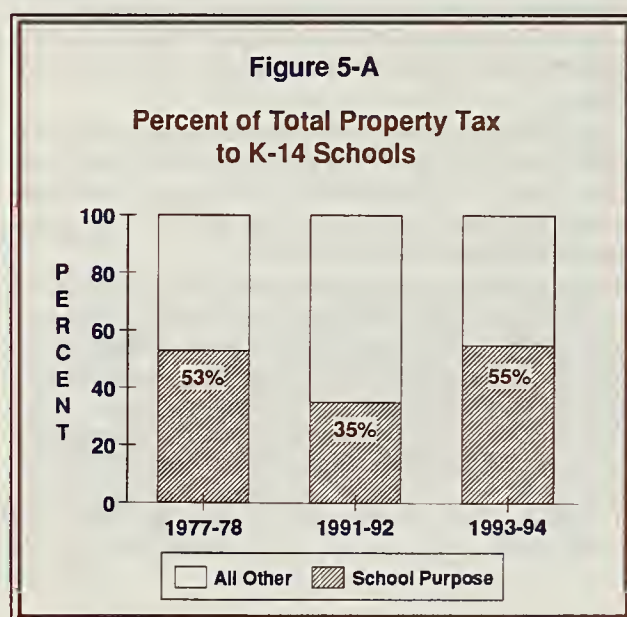
This “AB 8 bailout” of local government fundamentally altered the fiscal relationship between the State and local governments, particularly for counties and school districts. With the State—either directly or indirectly—providing more funding for what had previously been primarily locally funded services, fiscal power and control tended to migrate from local governments to Sacramento.

The unintended consequence of the State providing local fiscal relief after Proposition 13 was the development of an expectation that the State was responsible for funding what had been local traditional responsibilities. This inadvertently undermined accountability between local voters and local officials, because the State essentially maintained local tax yields while local officials controlled expenditure levels. This situation has evolved and been made more complex since 1978 through enactment of a series of major statutory and constitutional changes. These include:

- enactment of Proposition 4 in 1980, requiring the State to reimburse local agencies for the cost of State-mandated local programs;

- elimination of the Medically Indigent Adult program in 1982, and creation of the Medically Indigent Services Program to assist in financing county health services for indigents;
- enactment of Proposition 98 in 1988, requiring a minimum level of State General Fund support for schools;
- implementation of the Trial Court Funding Act in 1988–89, establishing a significantly larger fiscal role for the State in the funding of local trial courts;
- implementation of the State-Local Program Realignment in 1991–92, redefining financial and program responsibilities between the State and counties for various health and welfare programs;
- redirection of \$1.3 billion in 1992–93 in property tax revenue from cities, counties, special districts and redevelopment agencies to schools.

A host of budgetary circumstances now conspire to force another fundamental shift in the fiscal relation between the State and local governments. Because of an ongoing structural imbalance in the State’s budget



exacerbated by California's recessionary economy and its effect on State revenues, and the ever-growing funding needs of K-14 education, the ability to finance essential State functions is jeopardized, despite the major expenditure reductions of recent years in less critical areas of the budget. Though the budget proposes substantial reductions in funding for State services for 1993-94, remaining financial support for K-14 education, higher education, public safety and other high priority State services must assume priority over State funding of local services.

Accordingly, the Governor's Budget proposes eliminating the Post-Proposition 13 bailout of local agencies. This will be accomplished by shifting \$2.595 billion in property tax revenue from counties, cities, special districts and redevelopment agencies to school districts. This shift has four major components:

- \$300 million from redevelopment agencies (RDAs). This amount includes continuation of the \$200 million shift which was enacted as a part of the 1992-93 State budget solution. It also includes \$100 million which would be saved by limiting the amount of tax increment revenue an RDA could receive annually to that necessary to meet current-year debt service. Under existing law, an RDA may receive tax increment revenue equal to its total (multi-year) debt service requirements. This proposal would also result in cities, counties and special districts receiving roughly an additional \$80 million in property tax revenue.
- \$150 million from enterprise special districts. This amount represents the current estimated amount of property tax revenue that is subsidizing enterprise functions which, by definition, should be self-supporting from charges for services. This proposal would affect primarily waste disposal and water utility districts. Transit districts and hospital districts are not included in the proposal.
- \$70 million from certain counties as a one-time adjustment. This adjustment would account for increases in federal SLIAG funding received by the affected counties.
- \$2.075 billion from cities, counties and special districts. This shift would be allocated among local governments by a methodology which would be developed by the State working jointly with local government as outlined below.

Though the shift of \$2.075 billion from cities, counties and special districts is equivalent to less than four percent of those jurisdictions' total revenues, the Administration has not concluded that this shift will be easily accommodated by local government. It is fully recognized that, like the State, local governments have for years been facing service demands and workload increases which significantly outstrip revenue growth. Combined with the \$1.1 billion in permanent property tax shifts from local governments to schools implemented in 1992-93, this

proposal may well necessitate a fundamental reexamination of what services local governments can realistically provide and how those services can best be provided. For this reason, it is proposed that the State work with local government in fashioning a sensible basis for allocating the \$2.075 billion shift among local governments.

It is further proposed that the cooperative effort to allocate the shift be guided by a set of policy principles. These principles should include at least the following:

- Local government responsibilities should be clearly delineated.
- Local governments should have stable and predictable fund sources to support municipal and regional services.
- Local governments should have sufficient flexibility to allocate local revenues to high priority functions.
- Revenues should be allocated among local governments in a manner which minimizes the "fiscalization" of land-use decisions.
- State mandates should be scrupulously reexamined to determine if there is an overriding State interest that outweighs the need for local fiscal and service flexibility.
- Local officials and voters should have sufficient authority to determine appropriate funding levels for local services.

The outcome of this effort should be a more logical and predictable system of local government functions and financial support. Though it is likely that there will be some net loss of the services local governments provide in the future, the local government structure that emerges should be both more efficient and afford more local control over funding levels. This restructuring of the fiscal relationship between the State and local governments should thus reverse the fifteen year migration of fiscal control from local government to Sacramento.

Local Bonded Indebtedness Voting Requirements

Currently, the ability of local governments to fund needed educational and criminal justice facilities is constitutionally constrained; i.e., general obligation bonds must be approved by two-thirds of the voters. Based on the inherent difficulty of securing this approval, infrastructure needs are often neglected even though a majority of voters in a given community might support and be willing to pay for the construction of new facilities. Many local governments are finding it difficult to provide the level of service desired by their constituents, partly because of the overly restrictive voting approval requirements. This difficulty has placed a greater burden on the state to finance local infrastructure, especially school and jail facilities.

The Administration believes that local governments should be provided with the means and flexibility to tailor local program service levels to a revenue base deemed appropriate by a majority of the voters. One step toward accomplishing this objective would be the elimination of barriers to the approval of bond measures for critical infrastructure needs. Accordingly, the Administration supports changes in the California Constitution which would authorize a majority of voters in a local jurisdiction to approve bonds for educational and criminal justice infrastructure purposes.

Trial Court Funding Program

The Trial Court Funding Realignment and Efficiency Act of 1991 (Chapter 90, Statutes of 1991) made significant changes to earlier trial court funding statutes. Those changes included providing increased State funding of the trial courts and transferring a share of city and county non-parking fines to the State General Fund. The increase in State funding was intended to be offset by the local revenue deposited into the General Fund. Chapter 90 also contained intent language for the State to fund 55 percent of trial court costs in 1992–93, increasing by 5 percent annually to 70 percent in 1995–96 and for fiscal years thereafter.

Chapter 696, Statutes of 1992 (AB 1344) increased trial court filing fees and established the Trial Court Trust Fund. Filing fees are deposited into the fund for distribution according to subsequent yearly legislation. It is estimated that \$140 million will be collected and distributed in 1992–93 and that \$211 million will be collected and distributed in 1993–94.

As part of the Administration's proposal to balance the budget, total State funding for trial courts in the budget year has been reduced from the 1992–93 fiscal year level. A comparison of the current and proposed budget years funding is shown in Table 5-1. A total of \$706

million from all funds is proposed for trial court funding. This amount will fund approximately 46 percent of total trial court costs as estimated by the Judicial Council. This is \$218 million less than the amount required to fund 60 percent of trial court costs as specified by the intent language of Chapter 90, Statutes of 1991. The General Fund share of Trial Court Block Grants is \$125 million less than in the current year.

Tax Relief

The state provides substantial assistance to homeowners and renters through a variety of tax relief programs. Several of these programs are devoted to providing relief to senior citizens in the form of renters' tax assistance, property tax assistance, and property tax deferral. However, the majority of tax relief program costs are aimed at reducing the property tax burden of homeowners in general and at providing a tax credit to all qualified renters. The Homeowners' Property Tax Relief program will provide local governments with approximately \$360 million to reduce homeowners' property tax bills.

The Homeowners' Property Tax Relief program is provided for in the State Constitution. It exempts from property taxes the first \$7,000 of market value of a homeowner's principal residence. Under the one percent property tax rate established by Proposition 13, this exemption equates to a reduction in the homeowner's property tax bill of \$70 per year. Well over five million homeowners receive this tax reduction each year.

The Renters' Tax Relief program, established in 1973, initially provided renters with credits ranging from \$25 to \$45, depending upon their adjusted gross income, with maximum relief at incomes of \$8,000 or more. Since that time, credit amounts and eligibility criteria have changed on at least six occasions. For example, 1976 legislation changed the relief amount to a uniform \$37 for all renters regardless of income. In 1990, legislation reduced the

maximum credit for married couples, heads of household and surviving spouses from \$137 to \$120. In 1991, eligibility for the credit was limited to single renters with less than \$20,500 of income and married renters with less than \$41,000 of income.

As part of the Administration's plan to balance expenditures and revenues, the Governor's Budget proposes to eliminate the Renters' Tax Relief program beginning with the 1992 income tax year. This would result in General Fund savings of approximately \$395 million in the current year and \$445 million in the budget year.

Table 5-1
Trial Court Funding
(Dollars in Thousands)

	1992-93	1993-94
Contribution to Judges' Retirement System...	\$54,455	\$60,835
Salaries of Superior Court Judges	73,886	75,845 ¹
Trial Court Funding Block Grants	483,636	358,636
Trial Court Trust Fund	140,000	211,000
Total State Support	\$751,977	\$706,316
Total Trial Court Costs		
(Judicial Council Estimate)	\$1,496,600	\$1,540,600
Percent State Funding	50%	46%

¹ Includes 5 percent salary adjustment effective January 1, 1994.

Elementary and Secondary Education

Investment in California's children through quality education remains a top priority of this Administration. In line with this commitment, the 1993-94 Governor's Budget fully funds Proposition 98 and maintains the prior year level of per-pupil funding. As indicated in Table 6-1 and Figure 6-A, revenue for support of K-12 education comes from various sources. Approximately 50.9 percent (\$14.6 billion) is provided by the State. Another 32.5 percent (\$9.3 billion) comes from local property taxes. The remaining 16.6 percent comes from the federal government (\$2.2 billion) and from miscellaneous local sources (\$2.6 billion).

Governor's Initiatives

The Administration continues to assign a high priority to the needs of California's children, and favors a preventive, rather than a remedial, approach to addressing those needs. Accordingly, the Governor's Budget proposes to expand funding for a number of important programs in the educational area.

Preschool Expansion. Recognizing the developmental benefits afforded children who attend preschool,

the Administration proposes—as part of a multi-year expansion effort—to increase funding by \$25 million to serve additional preschoolers from low-income families, bringing total funding for the Preschool Program to \$69 million. This augmentation takes into account that certain implementation delays will be experienced in the first year of expansion; however, annualized funding in subsequent years for the expansion effort is anticipated to be at the \$50 million level.

Healthy Start. The Governor's Budget proposes an increase of \$23.3 million to the \$14.7 million funding base for the Healthy Start Program to expand the local coordination and integration of health and social services for children at the school site. The Healthy Start Program is an important component of the multi-phase Comprehensive School-Linked Services effort described under the Health and Welfare section of the Budget Summary.

Early Mental Health. In keeping with the preventive government focus of this Administration, a total of \$20 million is proposed for the Early Mental Health Program, including \$10 million to continue base funding and \$10 million to expand mental health counseling to K-3

Table 6-1
Total Revenue for K-12 Education
1985-86 through 1993-94

(Dollars in Millions)

Source of Funds	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93 ¹	1993-94 ¹
State General Fund ²	\$11,072	\$12,245	\$12,632	\$13,841	\$14,682	\$15,498	\$15,938	\$15,839	\$14,027
Lottery Fund	555	411	651	834	789	620	401	558	558
Other State Funds	84	357	799	80	114	78	55	38	39
Federal Funds	1,256	1,355	1,312	1,479	1,589	1,764	1,958	2,233	2,240
Local Property Taxes	3,195	3,484	3,786	4,117	4,521	5,007	5,312	6,726	9,015
Local Debt Service Taxes ..	391	337	311	302	303	305	317	319	321
Local Miscellaneous	953	976	1,431	1,608	1,739	1,913	2,104	2,314	2,545
TOTAL REVENUE	\$17,506	\$19,165	\$20,922	\$22,261	\$23,737	\$25,185	\$26,085	\$28,027	\$28,745

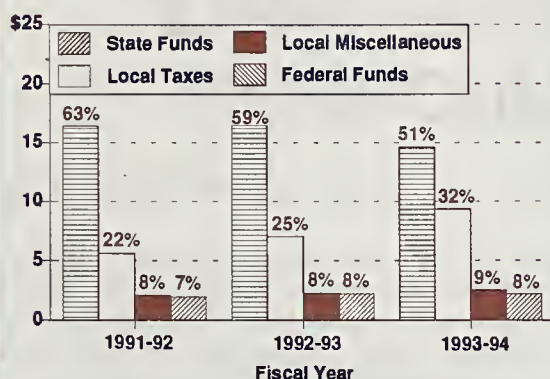
¹ Estimated

² State General Fund is adjusted to reflect local expenditures for the year in which the funds were received.

Figure 6-A

Revenue for California's K-12 Schools Source of Revenues

(Dollars in Billions; Percent of Total)



children. This program is designed to detect and treat school adjustment problems of children early enough to provide the foundation for a successful school and post-school experience.

Alternative Teacher Preparation and Certification.

The Governor's Budget provides \$2 million for grants to local education agencies to participate in a district-centered alternative teacher preparation and certification program. This innovative program will facilitate entry into the teaching profession and help meet the growing demand for fully qualified, credentialed teachers for California's schools.

Highlights of the K-12 Budget

In addition to the Governor's Initiatives described above, the following significant items are proposed for 1993-94:

- Restoration of that portion of the 1992-93 emergency loan used to fund base apportionments (\$451.2 million).
- Statutory growth of \$408 million.
- Unemployment insurance premium increases paid by school districts (\$60 million).
- Funds set aside for reimbursable State mandate claims not funded through the budget act (\$53.6 million).
- Deferred maintenance funding of \$44.6 million from one-time funds, in addition to the statutory appropriation of \$52.7 million.
- One-time funds for purchase, renovation, or modernization of child care facilities in the amount of \$20 million.

- Funding to adjust both the Opportunity Schools Program and the Adults in Correctional Facilities Program to a current year basis (\$15 million).
- Expansion of the California Assessment Program (\$11.7 million).
- Full-year funding for the School Restructuring Program (\$11.6 million), bringing the total program level to \$24.6 million.
- Expansion of the Bilingual Teacher Training Program (\$1.5 million), Subject Matter Projects (\$5 million) and the Underrepresented Students Program (\$2 million).
- Funds to implement the School Breakfast Program authorized by recent legislation (\$3 million).
- Continuation of a mega-item for categorical programs which totals \$3.7 billion.

Proposition 98

The Governor's Budget proposes to fully fund the Proposition 98 guarantee. The guarantee provides over \$570 million in new program funding to K-12 and Community Colleges. The K-12 portion of the overall guarantee, combined with a General Fund loan of \$375 million, provides K-12 with a level of funding in 1993-94 that maintains the same dollar amount of \$4,187 per pupil as in the two prior years. (See Table 6-2). Due to a downward revision in both State revenues and enrollment for 1992-93, Proposition 98 appropriations exceed the revised guarantee level by \$525 million. The Governor's Budget proposes to revert \$315 million of Proposition 98 funding in the current year. In addition, \$122 million of current year funding will be designated as satisfying guarantee obligations for fiscal years 1988-89, 1989-90, and 1991-92. With these changes, per pupil spending in 1992-93 would equal the 1991-92 level of \$4,187 per pupil. Furthermore, Proposition 98 appropriations in 1992-93 would still exceed the guarantee by \$88 million.

Passed by the voters in November 1988, and later amended in June 1990 by Proposition 111, Proposition 98 guarantees schools the greater of a fixed percentage of the State's General Fund tax revenues (Test 1), or the prior year State and local tax revenues used to support schools adjusted for changes in (a) enrollment and (b) cost-of-living (COLA) as determined by the change in per capita personal income (Test 2). In a poor State revenue year, the COLA is determined by the relatively lower change in per capita General Fund tax revenue (Test 3). The guarantee is subsequently increased in good State revenue years via a maintenance factor repayment, to make up for the lower guarantee.

For both the 1993-94 guarantee and the revised 1992-93 guarantee, because of the poor State revenues, the COLA is based on the Test 3 change in per capita General Fund revenue (Figure 6-B). Further, the

1992–93 guarantee includes \$780 million in Test 3B supplemental funding, pursuant to Chapter 60, Statutes of 1990. Test 3B ensures that growth in General Fund per pupil within the Proposition 98 guarantee is not less than the growth in General Fund per capita statewide; the supplement cannot result in total funding in excess of Test 2.

The 1993–94 Governor's Budget also proposes a \$2.6 billion shift of local property taxes to K–12 school and community college districts (see State and Local Fiscal Relationship section). While this has no impact on the guarantee amount, it does reduce the State's share of the guarantee and increases the share funded by local tax revenues.

Chapter 703, (AB 766), Statutes of 1992, provided a loan of \$732 million to school districts for general purpose apportionments. Repayment of the loan, in two equal annual payments of \$366 million, would occur in any year when Proposition 98 expenditures per pupil are at least equal to the prior year per pupil level—after reducing expenditures for the loan repayment. The 1993–94 K–12 funding proposed in the Governor's Budget maintains the 1991–92 and 1992–93 per pupil expenditure level of \$4,187. However, since a loan repayment of \$366 million would subsequently result in K–12 receiving less per pupil than the prior year, a loan repayment will not be required in 1993–94.

The total appropriations for Proposition 98 for fiscal year 1993–94 are \$13,139,034,000, or 33.556 percent of total General Fund revenues and transfers subject to the State appropriations limit. Proposition 98 funding as a percent of General Fund revenues has been significantly affected by the increase in local property tax revenue to school districts and community college districts as a

result of local tax shift legislation in 1992–93 and further tax shifts proposed for 1993–94.

Proposition 98 General Fund revenues set aside for school districts are \$12,219,666,000, or 31.208 percent of total General Fund revenues and transfers subject to the State appropriations limit. General Fund revenues set aside for California Community Colleges are \$842,200,000, or 2.151 percent of total General Fund revenues and transfers subject to the State appropriations limit. General Fund revenues set aside for other State agencies which provide direct elementary and secondary level education are \$77,168,000, or .197 percent of total General Fund revenues and transfers subject to the State appropriations limit.

Other Program Areas

Attendance Accounting. School districts are required to report attendance for purposes of apportionments only for pupils who attend school for the minimum school day, in general four hours. While the Administration expects school districts to comply with these attendance accounting provisions of law, this budget has made no changes to either the Proposition 98 guarantee or school apportionments for any potential decline in average daily attendance that may result from this practice. Instead, the Governor's Budget proposes that excess apportionment funding due to compliance with attendance accounting law be redistributed to school districts as general purpose apportionments.

Child Care and Development. Child care and development plays a major role in the Governor's preventive government policy. By providing children with proper care and nurturing their development, their chances are greatly enhanced to grow up to be better adjusted adults and less likely to require costly government assistance

Table 6-2
1993–94 Funding Per Pupil/FTES
(Dollars in Thousands)

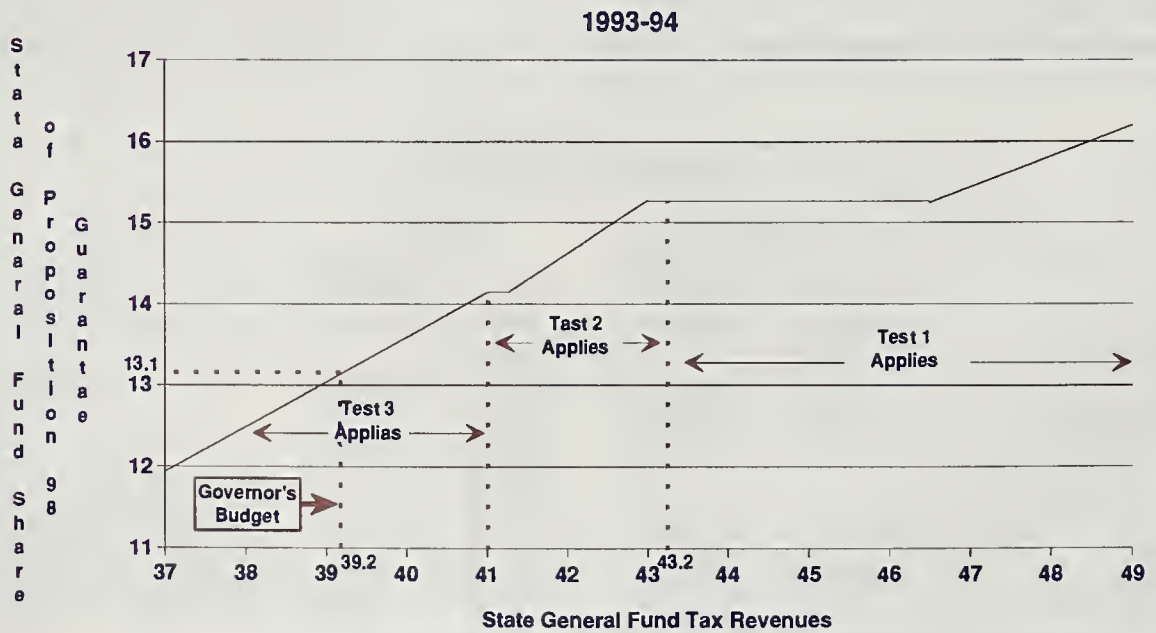
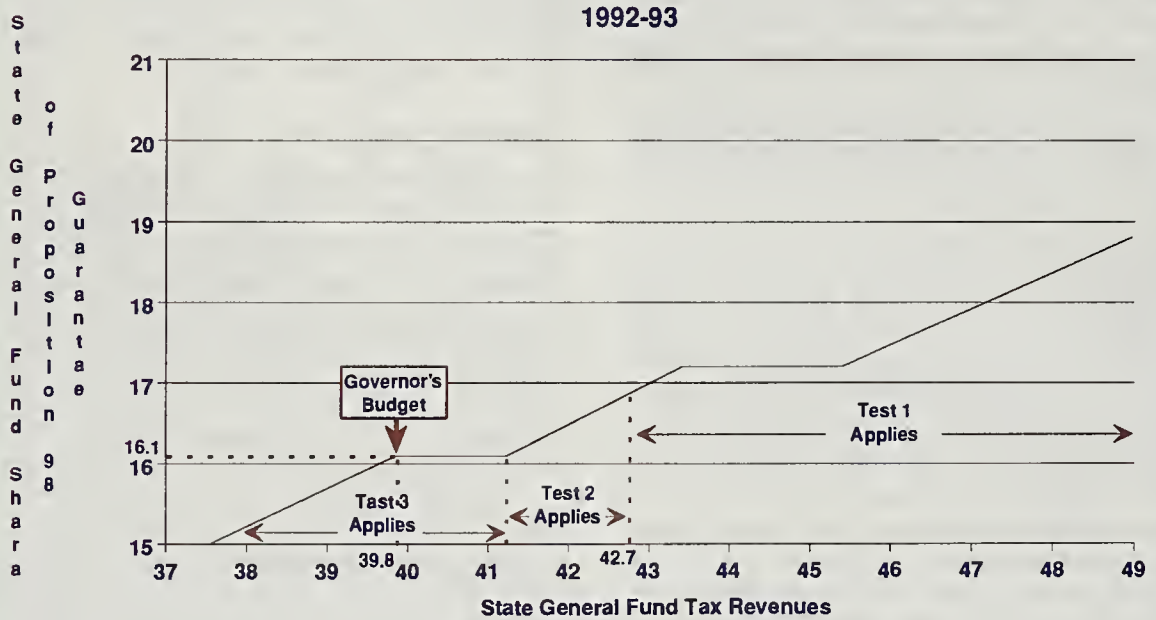
	1991–92		1992–93		1993–94	
	K–12	Community Colleges	K–12	Community Colleges	K–12	Community Colleges
General Fund	16,707,045	1,693,562	15,282,084	1,262,675	12,219,666	842,200
Loan Repayment	– 1,233,000	–	– 1,083,000	–	–	–
Fees	–	82,278	–	126,069	–	138,835 ¹
IDDA/EPDA	289,900	43,610	96,817	14,564	–	–
Local Revenue	5,248,297	834,224	6,640,589	1,061,604	8,929,185	1,428,070
Reversion	–	–	– 314,773	–	–	–
Non-Prop 98 Loan	–	–	732,000	241,000	375,000	–
Total	21,012,242	2,653,674	21,353,717	2,705,912	21,523,851	2,409,105
ADA/FTES	5,018,183	862,269	5,100,243	878,582	5,140,638	867,927
\$ Per ADA/FTES	4,187	3,078	4,187	3,080	4,187	2,776 ¹

¹Does not include additional fee increases for 1993–94 which have not yet been determined.

Figure 6-B

State General Fund Tax Revenues and State's
Share of the Proposition 98 Guarantee

(Dollars in Billions)



or correctional services. Toward this end, the 1993–94 Governor’s Budget proposes \$450.7 million from the General Fund for child care and development, including an additional \$25 million for preschool expansion (described above under Governor’s Initiatives), \$22 million to restore base funding for the Preschool Program, and \$13.3 million for program growth. Also proposed are: \$35.8 million of additional federal IV-A At-Risk matching funds to expand child care for families at risk of going on welfare, an additional \$26.8 million in reimbursements from the Department of Social Services to expand child care to AFDC recipients and \$719,000 for 9 personnel years to implement a child care and development system pursuant to Chapter 1205, Statutes of 1991 (AB 2184).

Lottery

The Lottery initiative, as approved by California voters in November 1984 provides that 50 percent of the proceeds of ticket sales be paid out as prizes and no more than 16 percent be used for administrative costs. The remaining 34 percent is to be provided to public education. Typically, the amount going to education has been 36 percent to 38 percent of the total proceeds.

Funding is distributed to local school districts based on attendance. Funding is also provided to institutions of higher education and State agencies providing direct elementary and secondary instruction. Table 6-3 provides information on lottery revenues for education from 1991–92 to 1993–94. The Lottery Commission projects increased revenues for 1992–93 due mainly to the introduction of the new Keno game.

The California State Lottery has provided over \$4.3 billion to K–12 education since 1985 and is expected to generate over \$557 million in 1993–94 for California’s public schools. This amounts to approximately \$104 per pupil. The funds are used to augment, rather than replace, funds already allocated for public education; schools have wide discretion as to how lottery money is spent.

Table 6-3

Lottery Revenues

(Dollars in Millions)

	<i>1991–92</i>	<i>1992–93</i> ¹	<i>1993–94</i>²
K–12 education	\$398.46	\$557.62	\$557.62
California Community Colleges	62.37	87.29	87.29
The California State University	20.15	28.20	28.20
University of California	11.64	16.29	16.29
Hastings College of the Law	.09	.13	.13
California Maritime Academy	.05	.07	.07
Department of the Youth Authority	.49	.69	.69
Department of Developmental Services	.41	.57	.57
State Special Schools	.08	.11	.11
Total	\$493.74	\$690.97	\$690.97

¹ Based on Lottery Commission projections.

² The Lottery Commission does not make projections beyond the current year; therefore, the 1993–94 estimated Lottery revenues are held constant from 1992–93.

Higher Education

Commitment to higher education has been a historic tradition in California. The severity of the State's fiscal crisis has constrained the ability of the State to maintain that commitment, and the higher education budget for 1993-94 has been reduced. Nevertheless, the budget for higher education reflects its continued high priority, and the budget reduction here is less than in the budget generally. With the exception of the Community Colleges, the budgets for the institutions embody General Fund reductions of 10 percent from what they would have been with recognition of some normal budget adjustments; the resulting reductions from the 1992-93 level vary by segment. Significantly, financial aid grants provided through the Student Aid Commission have not been reduced. Enrollments, as indicated in Table 7-1, have not been determined by all the segments, pending allocation of budget reductions. Total funding levels are shown in Table 7-2, though this table does not reflect student fee increases, which have not yet been determined, nor certain reductions proposed for State operations, as noted in the table.

University of California

Given the State's severe fiscal constraints and the substantial General Fund reduction applied to UC's budget, the policy for the 1993-94 budget is to permit UC

the maximum flexibility in managing its resources to best serve its students and maintain the quality of the institution.

In developing the 1993-94 budget for UC, the General Fund was reduced by 10 percent (\$194 million) from the adjusted base. Funding of salary increases, enrollment growth, and other cost increases may be funded at the Regents' discretion, although, given the net budget reduction, funds are not provided in the budget for these purposes.

Due to the magnitude of the budget shortfall, it has not been possible to present the usual budget detail in the Governor's Budget. It is expected that the Regents will develop a specific plan for accommodating the shortfall, and that the plan will be available for presentation to the Legislature in Spring 1993.

Student Enrollment. As a result of the 1992-93 budget reductions, UC reduced its budgeted enrollment level by 12,000 full-time equivalent (FTE) students below the level originally funded in the 1992-93 Governor's Budget. The budgeted enrollment level, which reflects current resources, is now 140,910 FTE. However, in order not to dislocate students, enrollment decreases are being effected gradually, and estimated enrollment for 1992-93 is 153,407. UC has not yet determined its budgeted enrollment for 1993-94.

Table 7-1

Higher Education Full Time Equivalents (FTE)

	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94
University of California.....	136,928	141,776	145,983	150,020	152,863	154,101	156,371	140,910 ¹	140,910 ³
California State University....	248,025	252,331	257,839	267,451	272,608	278,502	270,729	247,494 ²	247,844 ³
Community Colleges.....	721,223	743,143	771,610	793,289	817,245	841,075	862,269	878,582	867,927 ^{3,4}
Hastings.....	1,463	1,466	1,341	1,341	1,347	1,325	1,261	1,250	1,250
Maritime Academy.....	406	352	337	358	376	400	430	475	475
Total Students.....	1,108,045	1,139,068	1,177,110	1,212,459	1,244,439	1,275,403	1,291,060	1,268,711	1,258,406

¹ Budgeted. Estimated 1992-93 enrollment is 153,407.

² Budgeted. Fall 1992 enrollment is 260,089.

³ Preliminary budgeted levels. Budgeted enrollment levels may be adjusted pending allocation of proposed budget reductions.

⁴ Includes a reduction of 24,536 funded FTES due to proposed withdrawal of funding for students with BA or graduate degrees.

Table 7-2

**Higher Education Expenditures
General Fund, Lottery Funds, State School Fund,
Local Revenues and Student Fees**

(Dollars in Millions)

	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94 ³
University of California ¹	1,947.8	2,073.2	2,230.5	2,367.1	2,560.5	2,626.0	2,685.6	2,572.4	2,498.1
California State University ¹	1,541.7	1,628.9	1,735.3	1,830.9	2,015.6	2,065.1	2,075.8	2,018.7	1,960.0
California Community Colleges	2,320.2	2,309.9	2,501.8	2,757.9	3,135.5	3,299.4	3,332.5	3,485.6	3,264.0
Student Aid Commission	105.8	112.1	118.1	129.2	152.6	160.7	172.1	146.9	152.2
Other Higher Education ²	48.3	45.9	62.9	59.5	92.4	94.4	122.8	128.9	133.3
Total Funds	\$5,963.8	\$6,170.0	\$6,648.6	\$7,144.6	\$7,956.6	\$8,245.6	\$8,388.8	\$8,352.5	\$8,007.6

¹ For purposes of this table, expenditures for the University of California and California State University have been adjusted to include offsetting income. This provides consistency in comparing magnitudes and growth among the various segments of education.

² The Other Higher Education amount includes General Obligation Bond Interest and Redemptions and Interest on PMIA Loans for UC, CSU and HCL; California Postsecondary Education Commission; Hastings College of the Law; and California Maritime Academy.

³ Does not reflect state operations reductions to the California Community Colleges (Chancellor's Office), the California Postsecondary Education Commission and the Student Aid Commission which will be effected on a statewide basis. Does not reflect student fee increases, which have not yet been determined.

Student Fees. The level of student fees for 1993-94 has not yet been determined. The Regents have adopted an increase of \$455 over the 1992-93 level, to \$3,499, which compares favorably to the 1992-93 average of \$3,641 at four public institutions used for salary comparison purposes (see Figure 7-A). However, this \$455 increase is related to the 1992-93 budget reductions. Also related to the 1992-93 reductions is a temporary fee, for five years beginning in 1993-94, of up to \$150 per year to repay a loan of up to \$70 million, which the Regents will use to cover operating expenses. The amount of the loan and the related fee increase will be determined in Spring 1993.

Concomitant with the 1993-94 budget reductions, the Governor is prepared to support any fee increases the Regents may propose to help offset the \$194 million shortfall. Fee revenue may be generated either through an increase in general student fees, or through a combination of general fee increases and fee increases for students in selected professional schools, as determined by the Regents. UC will provide financial aid to cover the fee increase for needy students.

Technology Development. The Governor, in the interest of stimulating the California economy, has responded affirmatively to the request of the President of the University that future increases in the State's share of UC's Patent Fund income be directed by UC into the operation of an enhanced technology transfer program. This program involves creation of the University of California Technology Development Company (UCTDC), which will fund the development of research

findings and technology to the point of commercialization, and also will fund the formation of start-up companies.

UC estimates that, by the early part of the next decade, the UCTDC will have formed about 22 start-up companies, and that about 100 inventions per year will receive "gap funding" to develop them to the point of commercialization. UC expects that the creation of the new companies and the commercialization of inventions will create new jobs and, by the next decade, have a multi-billion dollar economic impact in the State, leading to the generation of new State revenues. These plans have been encouraged by legislative leaders and well-received by the business community. The Governor enthusiastically endorses these creative plans and encourages their implementation.

California State University

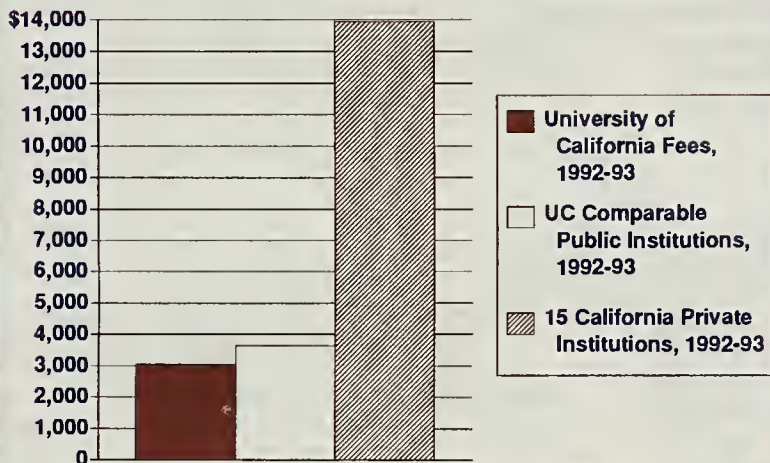
The general approach of the 1993-94 Governor's Budget is to permit as much autonomy and flexibility as possible so that CSU can explore new ways to manage its resources to better serve students, faculty and staff.

In developing the 1993-94 budget for the CSU, the General Fund was reduced by 10 percent (\$159 million) from the adjusted base. It is understood that consideration will be given by the Board of Trustees to compensation and workload increases, although given the net budget reduction, funds are not provided for these purposes.

Due to the magnitude of the budget shortfall, it has not been possible to present the usual budget detail in the Governor's Budget. It is expected that the Trustees will

Figure 7-A

**University of California
Comparison of Resident Fee and Tuition Levels
at Comparable Universities
and California Private Institutions**



and support program retrenchment, and in the long term lead to educational innovations and cost savings.

Student Fees. In order to permit CSU to maintain quality and access, the Administration supports the concept that, notwithstanding the provisions of Chapter 705, Statutes of 1992, the State University Fee for 1993-94 not be held at the 1992-93 level, and that the Trustees be authorized to impose a fee increase above the 1992-93 level. CSU's current fee level of \$1,456 compares very favorably with an average of \$2,493 at 15 public institutions used for salary comparisons (see Figure 7-B). With a fee increase, CSU will provide commensurate financial aid. Specific legislation will be required to implement this proposal.

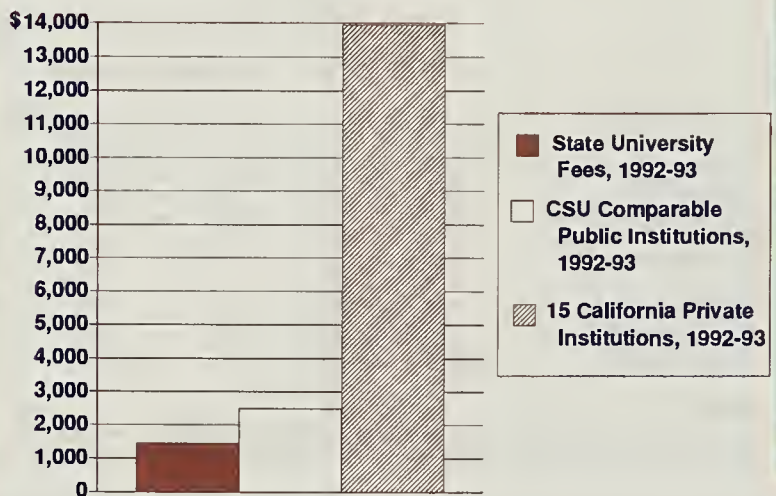
The additional fee income, which is not reflected in the Governor's Budget, would be expended at the discretion of the Board of Trustees and would not further offset General Fund expenditures. This fee increase will provide fiscal support for maximizing the num-

develop a specific plan for accommodating the shortfall, and that the plan will be available for presentation to the Legislature in Spring 1993.

Student Enrollment. As a result of the 1992-93 budget reductions, CSU reduced its budgeted enrollment level by 25,156 full-time equivalent (FTE) students below the level originally funded in the 1992-93 Governor's Budget. The budgeted enrollment level, which reflects current resources, is now 247,494 FTE. However, in order not to dislocate students, enrollment decreases are being effected gradually. Actual enrollment for Fall 1992 is 260,089; CSU has not estimated an average enrollment for the academic year. For 1993-94, the level of funding provided CSU will result in further workforce reduction, which will necessitate an enrollment decline; however, the level has not yet been determined. The Administration endorses CSU's initiatives to increase productivity and implement economies that will in the short-term mitigate the instructional

Figure 7-B

**California State University
Comparison of Resident Fee and Tuition Levels
at Comparable Public and California
Private Institutions**



ber of courses provided and for maintaining the quality of instruction as well as related academic services.

Fort Ord. Even in the face of declining resources, the State must look to new innovative instructional approaches to serve its citizens. The Administration supports CSU's efforts to develop a Monterey County campus at Ford Ord. The 1992-93 budget provided funds for master planning, feasibility studies and cost-benefit analysis of a Monterey County campus. This site represents an extraordinary opportunity to develop a campus that, both in terms of its cooperative arrangements with institutions of higher education, industry and governments, and in the use of advanced technology, would provide a model for higher education in the twenty-first century.

California Community Colleges

The Proposition 98 guarantee is proposed to be fully funded in 1993-94. However, due to the magnitude of the shortfall in projected General Fund revenues, there are insufficient funds within the Proposition 98 guarantee to continue the base level of General Fund support for community college apportionments. In order to address this shortfall in program funding, the Governor's Budget proposes to fund apportionments with additional property tax and student fee revenue as discussed below.

As Table 7-3 shows, total funding for the California Community Colleges in 1993-94 is \$3.3 billion. Figure 7-C shows the funding sources and their proportionate contribution to the colleges from 1991-92 through 1993-94.

Apportionments. The Governor's Budget includes \$223.9 million to restore that portion of the 1992-93 emergency loan (\$241 million) which was used to help fund base apportionments in 1992-93. This loan, which was made pursuant to Chapter 703, Statutes of 1992,

was a one-time appropriation. Chapter 703 also required that this loan be repaid over a two-year period from Proposition 98 funds appropriated to the community colleges. However, due to the shortfall in General Funds available for Proposition 98, the Governor's Budget proposes to defer the \$120.5 million repayment which would have been required in 1993-94.

For 1993-94, the Governor proposes that the State cease to fund courses for most community college students who have previously been awarded a baccalaureate or graduate degree. Some State funding will continue for approximately 10 percent of this population who, it is estimated, are dislocated workers, displaced homemakers or who receive certain types of welfare assistance. As a result of this proposal, a net reduction of \$39.8 million is included for apportionments after consideration of lost fee revenues from this population.

Local Property Taxes. Due to the magnitude of the estimated General Fund shortfall for 1993-94, the budget proposes to reduce the level of General Fund needed for the Proposition 98 guarantee by shifting additional local property taxes to K-12 and community college districts. As a result of this shift, as well as an estimated growth in tax receipts of 5.2 percent, local property tax revenues for the community colleges are projected to increase by \$366.5 million over the level estimated for 1992-93.

Student Fees. An unallocated reduction of \$266 million is proposed for apportionments due to the shortfall in General Fund revenues. To address this shortfall, the Governor's Budget proposes that the Board of Governors of the California Community Colleges be given the authority to raise the student enrollment fee from the current level of \$10 per unit to a level that the Board determines is necessary to maintain quality and access. The Governor is prepared to support fees of up to \$30 per unit and offsetting financial aid of approximately

Table 7-3

Significant Revenue Sources for Community Colleges

(Dollars in Millions)

Source of Funds	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93 ¹	1993-94 ¹
State General Fund.....	\$1,233.9	\$1,285.2	\$1,373.6	\$1,516.4	\$1,631.5	\$1,792.7	\$1,799.5	\$1,643.7	\$1,021.1
Lottery Fund.....	85.4	57.4	96.8	126.9	122.4	97.1	75.8	87.3	87.3
Local Property Taxes.....	497.6	544.9	603.9	654.5	715.7	791.0	834.2	1,061.6	1,428.1
Student Fees ²	66.1	67.0	65.4	66.2	67.2	72.0	82.3	126.1	138.8³
Other State Funds.....	86.5	8.3	17.3	9.7	14.1	6.5	5.2	6.4	5.5
Federal Funds.....	73.3	72.8	82.4	103.2	119.8	126.4	120.0	120.0	120.0
Local Miscellaneous.....	258.8	259.0	250.2	272.0	455.5	406.9	410.5	431.2	453.9
Local Debt Service.....	18.6	15.3	12.2	9.0	9.3	6.7	5.0	9.3	9.3
TOTAL REVENUE.....	\$2,320.2	\$2,309.9	\$2,501.8	\$2,757.9	\$3,135.5	\$3,299.4	\$3,332.5	\$3,485.6	\$3,264.0³

¹ Estimated.

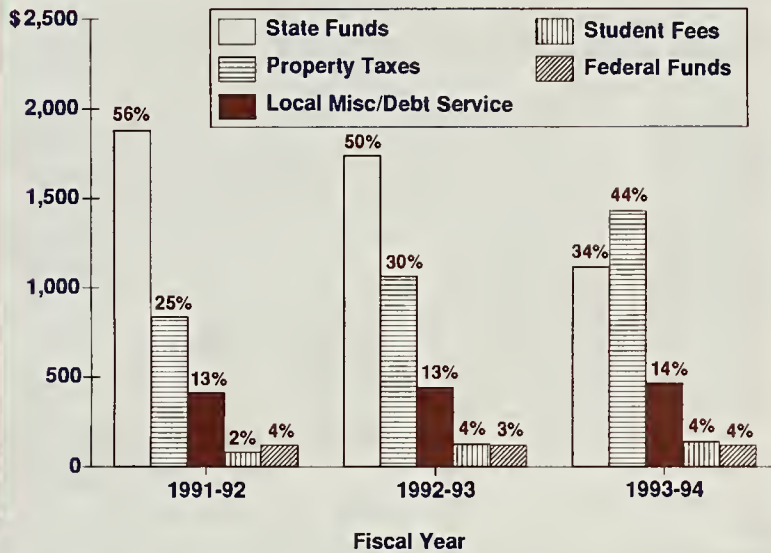
² Excludes fees paid with BOG grants which are included in the General Fund amounts.

³ Does not include additional fee increases for 1993-94 which have not yet been determined.

Figure 7-C

**Revenue for Community Colleges
Source of Revenues**

(Dollars in Millions)

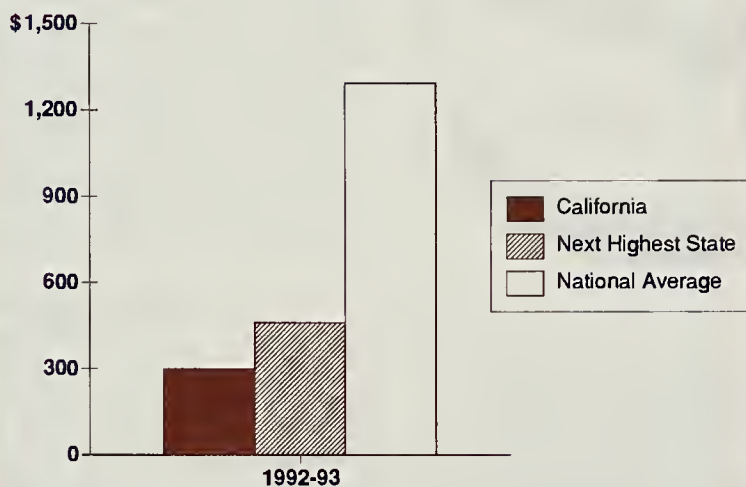


30 percent, a significant increase over the 20 percent financial aid for 1992-93. With this increase in financial aid, a community college education will still be affordable to those with lower incomes; and those students who are recipients of certain welfare programs will continue to remain completely exempt from the enrollment fees. Figure 7-D compares California's annual enrollment fees to the annual average fees nationwide for 1992-93.

Figure 7-D

**Resident Tuition and Required Fees
Community Colleges**

(Average Annual Fees)



Source: Chronicle of Higher Education.

Health and Welfare

The 1993–94 Governor’s Budget for Health and Welfare is predicated on three basic assumptions. First, it is critical that the State continue efforts to bring spending in line with available resources. Second, available resources are best spent in programs that promote prevention and independence. Third, the federal government must recognize that its immigration policy directly affects the costs of providing needed services and should pay those associated costs.

1993–94 Health and Welfare Expenditure Levels

Proposed 1993–94 Health and Welfare expenditures total \$38.3 billion in combined State and Federal funds, including funding for 42,017 personnel years. The allocation of these funds among the various programs is shown in Figure 8-A. Proposed expenditures include funding to meet the costs of caseload increases in a variety of program areas such as Medi-Cal, AFDC, SSI/SSP, In-Home-Supportive Services and Developmental Services. Please refer to Table 8-1 for specifics.

Within Health and Welfare, two programs account for 51.1 percent of total expenditures—Aid to Families With Dependent Children (AFDC) and Medi-Cal. These are both open-ended entitlement programs which significantly contribute to the gap between State expenditures and revenues.

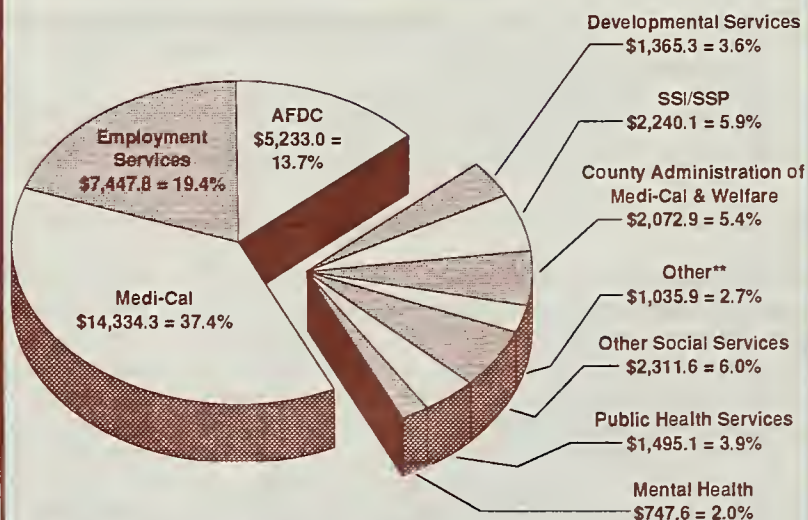
Trends in AFDC Expenditures

AFDC recipients can be separated into two groups based on federal definitions of deprivation. AFDC–Family Group (FG) cases are single parent families, while AFDC–Unemployed (U) cases are two-parent families. Both types of families must meet

income and asset eligibility requirements to receive public assistance. In the absence of policy changes in fiscal year 1993–94, the AFDC caseload is projected to grow by 6.2 percent, reflecting growth rates of 5.0 percent in FG cases and 12.3 percent in U cases. This growth comes after a five year period of unprecedented growth which peaked at 11.8 percent during the 1991–92 fiscal year.

Figure 8-A
Health and Welfare
Proposed 1993-94 Expenditures*
All Funds

(Dollars in Millions)



*Includes support and local assistance.

**Reflects allocations for the Health and Welfare Agency, Departments of Aging, Alcohol and Drug Programs, Health and Welfare Data Center, Office of Statewide Health Planning and Development, Rehabilitation, Emergency Medical Services Authority, Governor’s Advisory Committee on Child Care, State Council and Area Boards on Developmental Disabilities, California Medical Assistance Commission, State support for the Departments of Health Services and Social Services. Also included are the costs associated with Health and Welfare mandates and debt service. Does not include sales tax and VLF collected for counties under the Realignment Program or funds subject to Proposition 98.

Table 8-1

Major Health and Welfare Program Caseloads

	Average Monthly Caseload		Change
	1992-93	1993-94	
1. California Children's Services (treatment of physical handicaps)	162,700 ^a	171,340 ^a	8,640
2. Medi-Cal (provision of medical services to eligible poor)			
a. Certified eligible (total)	5,050,900	5,431,500	380,600
b. Certified eligible (fee-for-service only)	4,589,900	4,927,300	337,400
c. Average monthly users (fee-for-service only) ..	2,035,900	2,173,400	137,500
3. AFDC (support for unemployed persons with minor children) average monthly cases	856,200	906,600	50,400
4. SSI/SSP (support for aged, blind and disabled)	960,500	1,013,100	52,600
5. State Hospitals			
a. Mental health clients ^b	4,235	4,210	-25
b. Developmentally disabled clients ^b	6,500	6,270	-230
6. Community Developmentally Disabled Services			
a. Regional centers ^f	113,140	117,635	4,495
b. Work Activity/Supported Employment program	16,672	17,093	421
7. Vocational Rehabilitation	21,500	21,500	-
8. Employment Services (individuals placed)	194,000	194,000	-
9. Unemployment Services (total weeks claimed) ...	29,713,000	27,633,000	-2,080,000
10. Meals for Elderly Citizens ^c	224,400	224,000	-
11. In-Home Supportive Services	179,200	193,400	14,200
12. Child Welfare Services ^e	139,500	147,600	8,100
13. Non-Assistance Food Stamps	385,500	451,400	65,900
14. Alcohol Programs ^d	321,000	321,000	-
15. Drug Programs ^d	150,000	150,000	-

^a This figure represents unduplicated quarterly caseload in the CCS Program.

^b Represents the year-end population upon which the Budget is based.

^c Unduplicated participant count.

^d Number of participants served during the fiscal year.

^e Represents monthly Emergency Response, Family Maintenance, Family Reunification and Permanent Placement service areas. Due to transfers between each service area a case may be reflected in more than one service area.

^f Represents the midyear average, including developmental center clients.

AFDC-Family Group (AFDC-FG). Within AFDC, FG cases constitute approximately 85 percent of the total cases. Research on nationwide AFDC data indicate that 75 percent of AFDC-FG cases go on aid because of changes in family structure, such as a divorce or a birth to an unmarried parent, while only about 15 percent go on aid as a direct result of a reduction in income. Similarly, 46 percent of cases nationally leave aid because of changes in the family structure and 26 percent leave aid because of increased income. Therefore, although changes in the State's economy may affect the size of the AFDC-FG caseload in the short term, long term growth trends in the AFDC-FG caseload will be determined more by demographic or social factors.

During the decade of the 1980's California's AFDC caseload grew by 37 percent—a rate that exceeded the

State's population growth. Since AFDC caseload growth is outstripping population growth, the State is also experiencing an increase in the dependency rate—the proportion of the total population that is dependent on public assistance for support. In 1988 California's dependency rate exceeded the national average by 25 percent. Since that time, the average annual growth rate of the AFDC-FG caseload has accelerated, reaching 16 percent in fiscal year 1990-91. Some of the factors that have significant influences on the size and composition of the AFDC caseload are:

- increases in the number of women of childbearing age. During the decade of the 1980's the number of women of childbearing age grew by 18 percent.
- increases in the birthrate. During the decade of the 1980's the proportion of women having children increased by 14 percent.

- increases in the number of teenage parents. During the decade of the 1980's the birthrate for teenagers increased by 13 percent. Overall, approximately 54 percent of the women currently receiving AFDC grants had their first child as a teenager.
- increases in the unemployment rate. Economic cycles have a direct affect on the size of the AFDC-U caseload.

While the factors above are important in determining the composition of the total AFDC population, they do not explain the majority of new cases on AFDC. To further explain the new cases on AFDC, the caseload was divided into cases with aided adults and cases in which the caretaker adult is not eligible for aid, i.e., "children-only" cases. Children-only cases occur when the caretaker adult is a recipient of SSI/SSP, is a non-parent relative of the child, or when the parent is ineligible for aid based on immigration status.

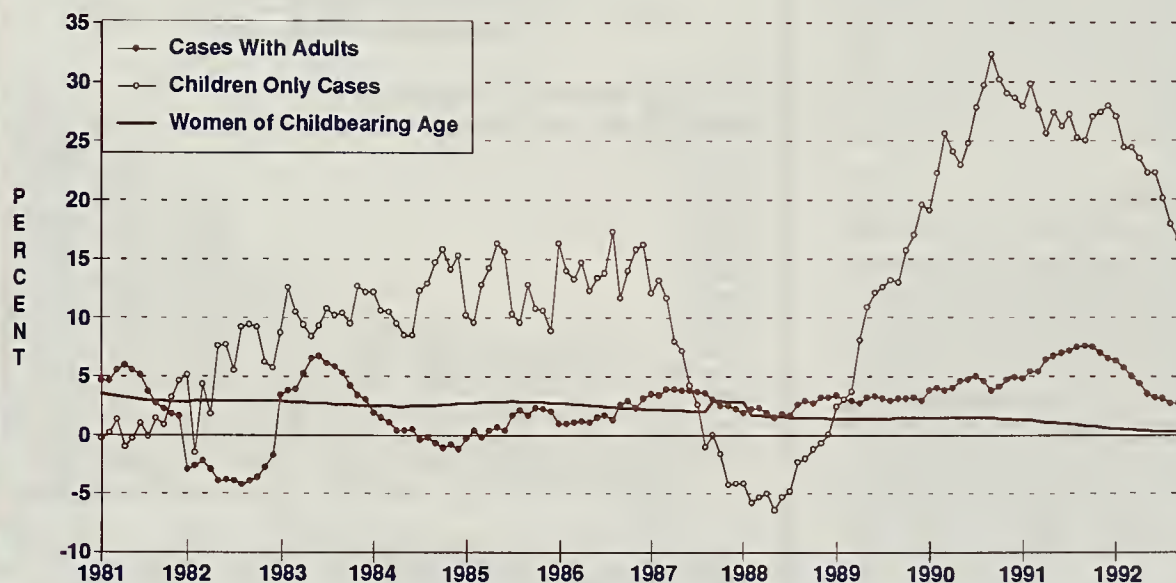
Figure 8-B displays the annual growth rate by month for the AFDC-FG caseload and for women of childbearing age from January 1981 through July 1992. As indicated in the figure, the growth in cases with aided adults corresponds closely to the growth in women of childbearing age. In contrast, children-only cases begin to

grow at a rate exceeding 10 percent annually in the 1983-84 fiscal year. They decline suddenly in 1987 when it is believed that parents removed their children from aid based on misinformation about the Immigration Reform and Control Act (IRCA). Two years later, the growth rate of children-only cases again accelerated, reaching a high of over 32 percent in September of 1990.

The Department of Social Services also conducted an analysis of children-only cases and concluded that cases where the caretaker adult is a recipient of SSI/SSP or a non-parent relative constitute a relatively constant proportion (between 10 and 11 percent) of the AFDC caseload. This is consistent with a figure of 10.8 percent reported nationally. Consequently, it appears that the majority of growth in children-only cases is due to growth in the number of cases where the parent(s) is excluded because of immigration status.

Because of these significantly different growth patterns, AFDC-FG cases with adults and children-only cases are projected separately. In the absence of policy changes in the AFDC program, the Department of Social Services is projecting cases with adults to grow by 2.8 percent, and children-only cases by 11.7 percent, between 1992-93 and 1993-94.

Figure 8-B
AFDC-FG Annual Growth Rate by Month



AFDC-Unemployed (AFDC-U). The number of AFDC-U cases constitute approximately 15 percent of total AFDC cases. In the long run, the relative size of the AFDC-U caseload is determined by the health of the State's economy. The number of two-parent families receiving aid tends to grow sharply during recessionary times and decline during times of falling unemployment. Consistent with the relationship between AFDC-U caseload and the economy, the Department of Social Services uses Department of Finance forecasts for employment and unemployment to project the rate of change for AFDC-U cases.

However, the Department recently separated the AFDC-U cases into those cases with aided adults and children-only cases. With the cases separated, it is clear that the pattern of growth in children-only cases in the AFDC-U program is similar to that in the FG program. In the absence of policy changes in the AFDC program, the average number of AFDC-U children-only cases is expected to grow by 29.9 percent with the number of cases with adults growing by 11 percent between 1992-93 and 1993-94.

Trends in Medi-Cal Expenditures

Medi-Cal, California's version of federal Medicaid, is an open-ended entitlement program; any person who meets the eligibility criteria established by law is entitled to specifically defined health benefits. Except for a limited number of "state-only" services, Medi-Cal typically receives half of its funding through federal Social Security Act Title XIX appropriations with the balance largely, but not exclusively, furnished by the state's General Fund. Federal reimbursement of 50 percent represents the lowest of federal Medicaid sharing ratios and is common to eleven other states, including New York, Illinois and New Jersey.

Expenditures. Annual Medi-Cal General Fund spending since 1985-86 will have increased 126 percent by 1993-94, as illustrated in Figures 8-C and 8-D. In 1992-93, total expenditures for Medi-Cal local assistance are estimated to be \$13.65 billion (\$5.45 billion, General Fund) representing a \$476.4 million General Fund deficiency in comparison to the 1992 Budget Act appropriation. For 1993-94, Medi-Cal local assistance spending is projected to total \$14.93 billion (\$5.33 billion, General Fund), representing a 2.2 percent year-to-year General Fund decline. This General Fund decline is dependent upon increases in federal

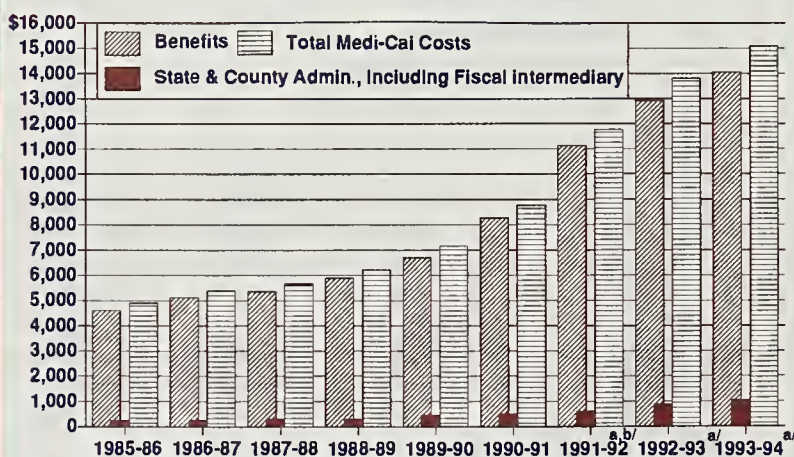
funding as well as changes in Medi-Cal optional benefits as discussed below. Comparisons of spending since 1991-92 which use total funding can be misleading because of donated funds and intergovernmental transfers authorized by the Legislature. These transfers now represent over \$917 million per year, matched by a like amount from the federal government, for a total averaging \$1.83 billion per year in new funding, primarily for hospital reimbursements.

Caseload. In 1985-86, approximately one out of every nine Californians had established eligibility to receive Medi-Cal services; in 1993-94 one out of every six residents is expected to secure Medi-Cal eligibility. This dramatic trend is illustrated in Figure 8-E. In 1992-93, average monthly Medi-Cal eligibility is expected to be 5.05 million persons and in 1993-94, over 5.43 million, a 7.5 percent increase. Roughly 4.6 million persons currently are eligible for fee-for-service benefits with the remainder served by various managed care programs. Table 8-2 shows federal Health Care Financing Administration (HCFA) eligibility and expenditure data from federal fiscal year 1991 for the ten most populous states. According to federal officials, other states also have experienced dramatic growth in Medicaid spending and caseloads since 1990. Table 8-3 illustrates the distribution of Medi-Cal caseload among the various eligibility

Figure 8-C

Growth of Medi-Cal Costs 1985-86 through 1993-94

(Dollars in Millions; Total Funds)



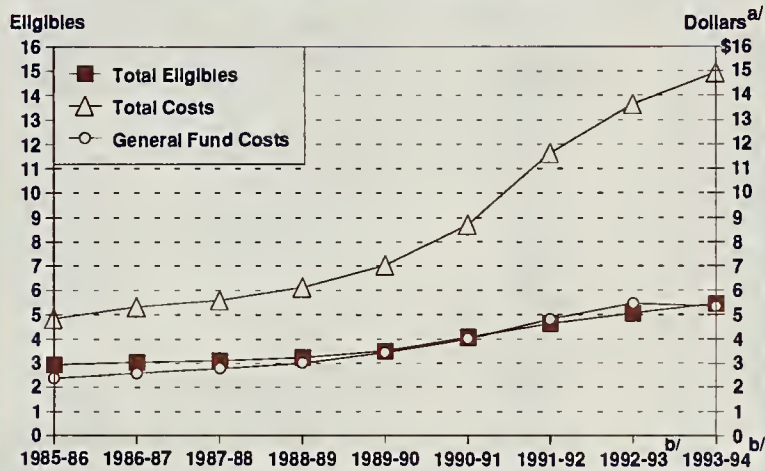
a/ Includes total amounts projected for 1992-93 and 1993-94. Includes the effect of SB 855 intergovernmental transfers beginning in 1991-92 and SB 910 county administration federal recoveries in 1992-93.

b/ In 1991-92 a one-time adjustment of \$2,199 million was made in moving Medi-Cal to accrual accounting. This additional appropriation is not shown here.

Figure 8-D

Growth of Medi-Cal Caseload and Costs, 1985-86 through 1993-94

(Eligibles in Millions; Dollars in Billions)



a/ Local assistance funds. Excludes \$2,199 million (\$977 million, General Fund) one-time addition for accrual accounting in 1991-92.

b/ Estimated. Total cost includes the effect of SB 855 intergovernmental transfers.

groups since 1990-91, and Table 8-4 shows the general eligibility thresholds for Medicaid as employed by the ten most populous states.

Benefits. Medi-Cal recipients are entitled to a full range of health services. The federal government requires states participating in Medicaid to provide a core of basic services which include: physician, nurse practitioner and nurse-midwife services; hospital inpatient and outpatient services; specified nursing home care; laboratory and X-ray services; home health care; and early and periodic screening, diagnosis and treatment services for children to age 21.

In addition, the federal government provides matching funds for 33 optional services (e.g., out-patient drugs, optometry, hospice, and nursing facility care for developmentally disabled patients). The Medi-Cal program now provides 28 of these optional services which, according to the HCFA, is surpassed only by six other states. California's current optional benefits total in comparison with the ten most populous states is shown in Table 8-5. As discussed below, nine optional services are proposed for elimination.

Managed Care. In California, the traditional provision of Medi-Cal services has been through a fee-for-service (FFS) system of health care delivery. Under this predominant system, qualified providers are paid for specific services as they are rendered. As an alternative to the fee-for-service program, the Department of Health Services also administers several capitated, managed care delivery systems. These capitated health care delivery systems include about two dozen sites for Prepaid Health Plans (PHPs) and 30 sites for Primary Care Case Management Systems (PCCMs) plus the Senior Care Action Network of Long Beach (SCAN), On Lok Senior Health Services of San Francisco, and County-Organized Health Systems in Santa Barbara and San Mateo counties.

The Administration's continuing initiative to make managed care the system of preference in California has led to

Figure 8-E

Average Monthly Medi-Cal Eligibles as a Percentage of California's Population

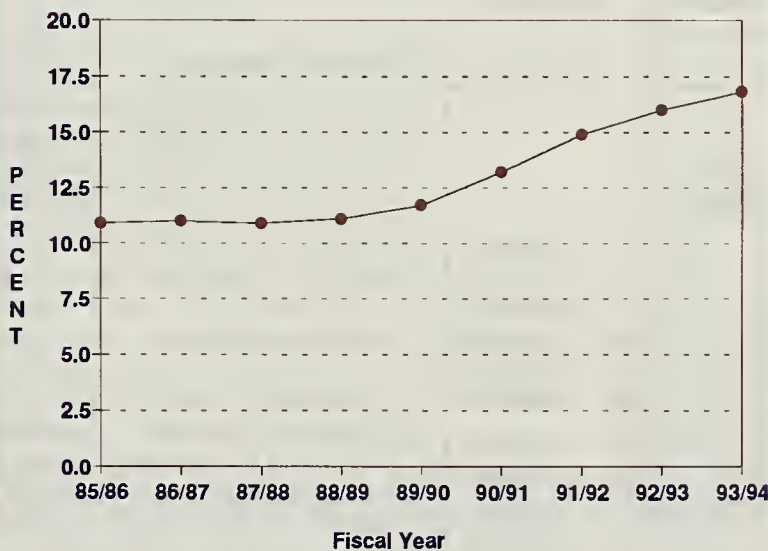


Table 8-2

**Medicaid Provider Payments and Number of Recipients
for the 10 Most Populous States, FFY 1991**

	<i>Medicaid Provider Payments (Dollars in Millions)</i>		<i>Medicaid Recipients (Data in Thousands)</i>	
	<i>Medicaid Payments, FFY 1991</i>	<i>Percent of U.S. Total</i>	<i>Number of Recipients, FFY 1991</i>	<i>Percent of Jurisdiction's July 1991 Population</i>
National Total.....	\$77,048.4	100.0	28,280	11.2
California.....	7,578.6	9.8	4,019	13.2
New York.....	13,728.5	17.8	2,462	13.6
Texas.....	3,532.1	4.6	1,729	10.0
Florida.....	2,944.4	3.8	1,249	9.4
Pennsylvania.....	3,436.2	4.5	1,277	10.7
Illinois.....	2,731.2	3.5	1,144	9.9
Ohio.....	3,653.4	4.7	1,299	11.9
Michigan.....	2,540.1	3.3	1,113	11.9
New Jersey.....	2,724.7	3.5	614	7.9
North Carolina.....	1,787.6	2.3	667	9.9

Source: Health Care Financing Administration: November 1992.

three new county-organized health systems, now in their developmental stages—Orange, Solano and Santa Cruz. In addition, Sacramento County is the site of the first “geographic capitation” managed care pilot project.

A full range of managed care expansion activity is proceeding, based on a strategic implementation plan developed by the Department of Health Services. The Department also is expanding use of home and community based services in lieu of institutionalization. Finally, legislation enacted in 1991 and amended in 1992

has changed the “default” from FFS to managed care in those instances when a Medi-Cal beneficiary does not have an established primary care provider relationship and a managed care option is available in his or her community.

Program Proposals

The continuing fiscal crisis facing California necessitates bold leadership to bring spending in line with available resources.

Welfare Reform

The 1993–94 Governor’s Budget builds on reforms initiated during the 1992–93 budget process, and reflects the continuing priority of modifying expenditures in the Aid to Families with Dependent Children (AFDC) program to further promote personal responsibility and control unaffordable program growth.

The Governor’s Budget assumes implementation of the proposed AFDC proposals in 1992–93. It is assumed that due to the severe nature of the fiscal circumstances facing California, the necessary legislation to implement

Table 8-3

**Medi-Cal Caseload Composition
(Average Monthly Eligibles)**

	<i>1990–91</i>	<i>1991–92</i>	<i>1992–93</i>	<i>1993–94</i>
Public Assistance	3,227,700	3,549,200	3,756,500	3,946,300
Long Term Care	65,200	66,900	68,300	68,900
Medically Needy	319,200	387,100	463,300	514,500
Medically Indigent	167,600	198,100	231,400	262,600
Refugee/ OBRA/IRCA	221,900	323,400	410,400	491,800
All Other	66,300	92,800	121,000	147,400
Totals	4,067,900	4,617,500	5,050,900	5,431,500

Table 8-4

**Medi-Cal Eligibility Levels for a Family of
Three in the 10 Most Populous States, July 1992**

	<i>AFDC Elig. Level¹</i>	<i>Percent of Poverty</i>	<i>Medicaid MN Elig. Level</i>	<i>Percent of Poverty</i>
California	\$7,956	68.8	\$11,208	96.9
New York	6,924	59.8	9,000	77.8
Texas	2,208	19.1	3,204	27.7
Florida	3,636	31.4	3,636	31.4
Pennsylvania	5,052	43.7	5,604	48.4
Illinois	4,404	38.1	5,904	51.0
Ohio	4,008	34.6	N/A	N/A
Michigan	7,044	60.9	6,804	58.8
New Jersey	5,316	45.9	7,092	61.3
North Carolina	3,264	28.2	4,404	38.1
10 State Average	\$4,981	43.1	\$6,317 ²	54.6 ²

¹ Source: National Governors' Association, 1992.

² Excluding Ohio.

Table 8-5

**Number of Optional Benefits Provided by
the 10 Most Populous States**

	<i>Cash Grant Recipients</i>	<i>Medically Needy Recipients</i>
California	28	28
New York	27	27
Texas	21	21
Florida	23	20
Pennsylvania	29	28
Illinois	26	26
Ohio	23	N/A
Michigan	25	25
New Jersey	30	21
North Carolina	22	22

Source: Health Care Financing Administration, December 1992.

these proposals will be enacted by March 1, 1993. The key elements of these proposals include:

Grant Reduction. Current AFDC grants would be reduced by 4.2 percent, changing the cash grant level for a family of three from \$624 per month to \$597 per month. Given corresponding increases in food stamps, the net

impact to a family would be a reduction of 2.9 percent. California would retain its rank as the fourth highest state in the country, while General Fund savings would be achieved of \$40.6 million in 1992-93 and \$125.4 million in 1993-94.

Transitional/Basic Grants. A two-tier grant structure would be established. A transition grant for a maximum of six months, at the level described above, would be available to assist families requiring immediate support. After six months, those families with an able-bodied adult continuing on aid would shift to a basic grant, which would be 15 percent below the transitional grant. This structure reinforces the premise that AFDC is a temporary assistance program and encourages recipients to transition to the workforce. General Fund savings in 1993-94 are estimated at \$247.5 million. In addition, the amount that a family can earn before its grant is reduced will approximately double, increasing from \$169 to \$327 for a family of three. Increased support in finding employment will also be provided (see below). AFDC families will also be entitled to higher allocations of Food Stamps under these proposals.

Maximum Family Grant. Under this component, a family which has an additional child while on aid would receive no increase in the AFDC grant. This proposal would also serve to discourage minor children from becoming pregnant in order to seek economic independence. General Fund savings are estimated to be \$14.1 million in 1993-94. Further, AFDC benefits would no longer be available to pregnant women with no other dependent children during the early stages of pregnancy (but would continue to be available during the third trimester), and the \$70 AFDC special needs payment would also be eliminated, for a General Fund savings of \$6.5 million in 1992-93 and \$20.1 million in 1993-94.

Also, AFDC benefits would be available only when a teen parent resides with his or her parent, unless special circumstances justify another living arrangement.

Cal Learn. Based on the belief that completing high school will reduce future dependency needs and promote self-sufficiency, the Governor's Budget proposes

an education incentive program for school age pregnant or parenting teens receiving AFDC. A cash incentive of \$100 would be provided for passing each grade level, and a \$500 bonus would be provided upon graduation from high school for teens who have had no more children. In addition, teens participating in the Cal Learn program would continue at the transitional grant level and receive child care benefits. However, the grant would be reduced by \$50 per month if the recipient does not maintain satisfactory school attendance.

Employment Assistance-GAIN. The 1993-94 Governor's Budget proposes to expand employment and training opportunities supported by the Greater Avenues for Independence (GAIN) program. The Budget proposes an increase of \$25.9 million General Fund which, when matched with federal funds, will provide a total increase of \$69.4 million for GAIN services, increasing the number of families provided GAIN services by 80 percent. Under this proposal, the program would be modified to make it more work-oriented. The major features of these changes include: (1) focusing on short-term, employment related services, and limiting long-term education; (2) establishing priority for services for those who are seeking employment and have limited, or no work experience; and, (3) developing new components for training and referral to help recipients become providers for day care or the In-Home Supportive Services program. In addition, child care, case management, and other supportive services would continue to be provided for GAIN participants. It is anticipated that the increased availability of federal funds for child care, pursuant to Chapter 1205, Statutes of 1991 (AB 2184), will expand the amount of child care available to AFDC recipients. The increased levels of employment resulting from the expansion of GAIN are expected to result in General Fund savings of \$27.4 million from reduced grants in 1993-94.

Job Clubs. The Budget proposes \$33.7 million (\$15 million General Fund) for voluntary job club workshops for recipients before they transition to the lower basic grant. Workshops will provide basic job seeking skills such as how to complete job applications, how to look for jobs, and how to interview. County welfare departments could either conduct these workshops or contract with the Employment Development Department (EDD) or other organizations. Maximum use would be made of the EDD job match system, Service Centers, and Job Agents. This program will serve an estimated 70,000 AFDC recipients and provide necessary child care and transportation benefits. It is assumed that providing these employment services will lead to more people obtaining employment. This, coupled with the work incentives built into other reform components, is estimated to reduce General Fund expenditures by \$14.7 million in 1992-93 and \$141.7 million in 1993-94.

Altogether, the welfare reform proposals contained in the 1993-94 Governor's Budget are expected to result in General Fund savings of \$32.3 million in 1992-93 and \$467.2 million in 1993-94.

Program Integrity

The Governor's Budget proposes to expand efforts by the Department of Social Services and county welfare departments to prevent and detect fraud, and to recover the overpayment of AFDC funds. The key features of this plan are:

Fingerprinting. Implementation of an automated fingerprinting system to prevent duplicate aid payments to the same individual or family. This system is currently used by Los Angeles County to control duplicate payments in its General Assistance program. This system will be pilot tested in the AFDC program in Los Angeles County in 1992-93. If it is cost-effective, the Department of Social Services will consider statewide expansion in 1993-94. Under this proposal, AFDC recipients will be asked to participate in the fingerprint identification program to assure positive identification for aid payment. It is estimated that the General Fund impact of this activity will be a cost of \$1.7 million in 1992-93, and, in 1993-94 will cost \$4.5 million and result in savings of \$11.0 million.

Expansion of Fraud Detection. The Budget proposes 1.0 million General Fund for continuation of the expansion of the Early Fraud Detection program, under which county investigators follow-up on suspected fraudulent applications. The Budget reflects savings of \$2.6 million in 1992-93 and \$17.7 million in 1993-94 from this increased effort. In addition, the Budget proposes \$1.5 million for expansion and state assumption of county costs of the Income and Eligibility Verification System (IEVS), which is an automated system for reporting discrepancies in the level of income or assets reported by an applicant for aid compared to other records such as bank accounts, tax returns, or unemployment insurance payments. This expansion is estimated to result in General Fund savings of \$3.6 million in 1993-94. Also, the Department of Social Services will expand its role in working with county welfare departments to increase the level of overpayment recoveries.

Administrative Efficiency

Statewide Automated Welfare System (SAWS). Consistent with state legislation, the Department of Social Services is developing plans for an automated eligibility and reporting system for AFDC, Food Stamps, and Medi-Cal. The 1993-94 Budget proposes to focus planning activities on a centralized, State-operated system, if subsequent analysis determines this approach to be cost-effective. SAWS automates intake and continuing eligibility determination processes, benefit calculation, case management, and management information. Los Angeles County has received State and federal approval to pursue a separate system linked to SAWS.

The Governor's Budget proposes 14.8 new positions in 1993-94 and \$4.8 million General Fund for county administration. These resources are intended to continue the current pilot projects in Napa and Merced counties, allow the State to assume responsibility for the operation and maintenance of the software to be used for SAWS, allow the Department of Social Services to develop the necessary State and federal approval documents, including those necessary for enhanced federal funding, and to allow the Department to develop a process for identifying and achieving budgetary savings from costs for county administration wherever SAWS is implemented. Future funding decisions will be based upon results of the required Feasibility Study Report.

It is believed that SAWS offers the potential for more timely and accurate case processing, and a reduction in administrative costs, which could result in major savings. It also provides a technology which can be expanded with future enhancements and which could improve program management or service delivery for welfare programs in California.

Personal Care Implementation

The Governor's Budget includes General Fund savings of \$16.2 million in 1992-93 and \$180.4 million in 1993-94 resulting from implementing the Personal Care Option (PCO) under the Medi-Cal program. In addition, it is anticipated that budget reductions in 1992-93 service hours will be restored when the PCO is implemented. It is believed that many current recipients of In-Home Supportive Services (IHSS) would qualify for the PCO and that federal Medi-Cal funding will ensure the continuation of necessary services to this population and permit an improvement in the quality of care. Even though implementation plans have not been finalized, funding for the PCO is proposed to demonstrate the Administration's commitment to use available federal funds to maintain program service levels. As currently planned, personal care will be provided through the IHSS program. Eligibility for services will be limited to categorically eligible Medi-Cal recipients who have a permanent disabling condition. Typical services would include assistance with walking, bathing and protective supervision. Ancillary services such as meal preparation would also be provided as long as they are subordinate to personal care services. As required by federal law, the proposed personal care program will include physician certification of the medical necessity for services as well as supervision of the treatment program by a registered nurse. As is the case with the IHSS program, the PCO will be administered by the State's counties. County administrative staff also will continue to use IHSS assessment measures to establish the number of hours of services required. All current modes of providing services will be allowed. The State will continue to fund an IHSS program for those recipients who do not qualify

for PCO services. These include cases where services are provided by a relative or where only domestic services are provided.

Although a Medi-Cal plan amendment has been approved, provisions of federal law will require several new program components to be developed before a cost-effective PC program can be developed. This will require significant structural changes within the Departments of Social Services, Health Services and county welfare departments to meet federal requirements for utilization control, claiming and record keeping. The program requirements of the PCO are currently being specified with implementation scheduled for the Spring of 1993. The Administration will continue to work with counties and other interested groups to develop a completed plan so that the savings identified in the Governor's Budget will be realized in 1993-94 and future fiscal years.

Other Program Adjustments

Medi-Cal Optional Benefits. California can no longer afford to provide the full array of Medi-Cal optional benefits. The Governor's Budget assumes General Fund savings of \$46.8 million in 1992-93 and \$172.3 million in 1993-94 from the elimination of certain optional benefits. Those proposed for elimination are acupuncture, chiropractic, non-emergency medical transportation, adult dental, podiatry, psychology, independent rehabilitation centers, medical supplies and speech and audiology services. The Governor's Budget continues to provide funding for these services for children under age 21, persons in long-term care and developmentally disabled clients.

SSI/SSP Cost-of-Living Adjustment. Effective January 1, 1994 the federal SSI payment is estimated to increase by 3 percent. This proposal would maintain the SSI/SSP payment at the December 1993 level by using the federal funds to reduce the State SSP portion of the grant; however, it would not apply to those persons eligible for the non-medical out-of-home care rate. This proposal would result in General Fund savings of \$69 million.

Employment Training Fund Loan Repayment. The 1992 Budget Act contained a \$29 million loan from the Employment Training Fund to the Department of Social Services to help fund the GAIN program. Language contained in the 1992 Budget Act indicated that this was a one-time loan to be repaid in 1993-94. Given the continuing shortfall in General Fund resources, it is proposed that this loan repayment be deferred for a savings of \$29 million.

County Administration. Based on the most recent estimates of 1992-93 expenditures, a savings of \$25.5 million General Fund is reflected in payments for County Administration. Of this amount, \$15.5 million is reflected in County Administration within Social Services and \$10 million within Medi-Cal County Administration. In addi-

tion, prior year (1992–93) COLAs have not been provided for a General Fund cost avoidance of \$21.6 million.

Increased Home and Community Based Services Reimbursement. The Department of Developmental Services proposes to reduce the need for General Fund by \$16.5 million in 1992–93 and \$28.3 million in 1993–94 by increasing federal reimbursements under the Home and Community Based Waiver Program. These savings are based upon receiving the Medicaid Waiver renewal at a level of 10,000 clients effective January 1, 1993 and an annual increase of 2,000 clients per year.

Federal Payment of Program Requirements

Federal Immigration policy coupled with federal program requirements have greatly exacerbated the difficulty in funding services in California. This Administration strongly believes that the federal government must recognize its obligation by providing sufficient resources to meet the needs of persons who reside in California and receive services because of federal policies. The 1993–94 Governor's Budget therefore assumes federal funding in the following areas:

State Legalization Impact Assistance Grant. It has always been the position of this Administration that the federal government must pay the states funds owed them for implementation of the Immigration Reform and Control Act of 1986. The FFY 1992 Conference Report indicated that Congress agreed that it must provide sufficient funds for SLIAG. To date, this has not been the case. Therefore, the Governor's Budget assumes that the federal government will appropriate the \$324 million owed California for State services already provided to those persons who met the IRCA requirements.

Refugee Resettlement Funding. The Refugee Act of 1980 requires that States allow needy refugees to immediately access categorical programs including AFDC, SSI/SSP and Medi-Cal. The Act provides for reimbursing states for non-federal costs of such programs during the first 36 months that a refugee is in the country. However, since 1985, promised funding has been reduced so that states are now fully responsible for these costs. The Governor's Budget assumes that the federal government will resume its responsibility in providing full federal funding for refugees. This results in \$104 million in General Fund savings in the AFDC, SSI/SSP and Medi-Cal programs assuming that federal funds will be available October 1, 1993.

Citizen Children of Undocumented Persons. An estimated 12 percent of the current AFDC caseload is comprised of citizen children of parents who are undocumented residents. The parents, while in the home, are ineligible for aid due to their undocumented status. States are unable to assist these needy families to become self-sufficient because the parents cannot legally work. As a result of this federal policy, these

children are likely to depend on AFDC for extended periods of time. These children are also eligible for Medi-Cal benefits. Because these state costs are a direct result of federal immigration policy and federal funding requirements, the Governor's Budget assumes that federal law will be amended to reflect the federal assumption of this obligation. This will result in a General Fund savings of \$209 million in AFDC and \$31 million in Medi-Cal in 1993–94 assuming that federal funds will be available October 1, 1993.

Medi-Cal for Immigrants. Federal law relating to immigration and services required for immigrants, such as the Immigration Reform and Control Act of 1986 and the Omnibus Budget Reconciliation Act (OBRA) of 1986 have dramatically increased the demand for services under the Medi-Cal program. The persons covered under these programs account for an estimated 8 percent of the Medi-Cal eligible population and 9.3 percent of total expenditures for benefits. OBRA eligibles will cost just over \$1 billion total funds in 1993–94 and the OBRA caseload is estimated at nearly 400,000 per month in 1993–94, a 129 percent increase over 1990–91. The Governor's Budget assumes that the federal government will recognize its obligation to provide states this OBRA and on-going IRCA funding thereby saving \$534 million General Fund.

Based on the above proposals, the 1993–94 Governor's Budget assumes General Fund savings of \$1,083.5 million because of program savings proposals and \$1,201.9 million in increased federal reimbursement based on federal obligations. If additional federal funding is not forthcoming, the Administration would propose the following alternative reductions:

- Delay Foster Care Rate Reform for a savings of \$30 million.
- Eliminate AFDC Homeless Assistance for a savings of \$31 million.
- Reduce SSP payments to the federal minimum payment resulting in a savings of \$243 million.
- Eliminate additional Medi-Cal optional benefits including drugs, optometry, prosthetic, orthotic, heroin detox centers, durable medical equipment, hearing aids and incontinence supplies for an estimated savings of \$356 million. These services would continue to be provided for children under age 21, persons in long-term care and developmentally disabled clients.
- Eliminate the following Medi-Cal optional eligible categories—Medically Indigent Children (\$65 million), State-only Medically Indigent Long Term Care (\$18 million), and Medically Needy Adults and Children, excepting pregnant women and mandatory children (\$370 million).

In addition, It would be necessary to continue to control hospital inpatient costs sufficient to realize savings of at least \$87 million.

In order to avoid these massive reductions, it is critical that the Administration and Legislature work together to ensure that the federal government recognizes its outstanding obligations to California by appropriating sufficient funds to cover these costs.

Foster Care Initiative

In accordance with this Governor's commitment to programs that promote prevention rather than long-term dependency, the Administration will initiate a significant restructuring of the child welfare services out-of-home care system. These system reforms will help ensure that the diverse needs of foster children are better addressed, and that limited State and local resources are effectively and efficiently utilized. More specifically, these initiatives will emphasize the safety of children in care, the maintenance of family and cultural ties, the provision of training and support for foster parents, the monitoring of providers and placing agencies and the provision of independent living skills for children emancipating from foster care.

Comprehensive School-Linked Services

The Administration, together with the Superintendent of Public Instruction, has forged a partnership with eight private non-profit foundations to establish a public/private partnership which will enhance the development of a comprehensive school-linked support services system in California. This partnership seeks to alter the way in which the State serves children and youth at risk and their families and is consistent with the Governor's emphasis on prevention and coordinated delivery of children's services. This partnership will enable California to expand critical support services to low-income children in California.

Under this agreement, the State has submitted a Medicaid State Plan Amendment allowing school sites to become Medi-Cal providers. This will allow schools to receive federal financial participation for reimbursable Medicaid services currently provided with State and local funds. By establishing this provider category, it is assumed that California could receive in excess of \$30 million in matching federal funds, thus allowing a like portion of freed-up funds to be used for additional services.

Proposition 99: The Tobacco Tax and Health Protection Act of 1988

The budget reflects expenditures from the Cigarette and Tobacco Products Surtax Fund which were established by Proposition 99 in 1988, as authorized in current law. The following Tables (8-6, 8-7 and 8-8) display the available revenues and proposed expenditures from the Cigarette and Tobacco Products Surtax Fund in 1991-92, 1992-93 and 1993-94. The 1993-94 estimated expenditures reflect normal caseload adjustments, in

addition to a proposal to reduce other appropriations as necessary to maintain a reserve of two percent.

Supplemental Security Income/State Supplementary Program (SSI/SSP)

The SSI/SSP program provides cash grant assistance to eligible aged, blind and disabled persons who meet the program's income and resource requirements. This program is administered by the Federal Social Security Administration which determines eligibility, computes grants and disburses the combined monthly payment to recipients. California supplements the federal SSI payment with an additional SSP payment. The combined SSI/SSP grant is intended to cover the recipient's basic needs and living expenses.

In 1993-94 the Governor's Budget proposes \$2.2 billion General Fund for the SSI/SSP program which will provide assistance to approximately 1,013,000 persons or couples. Although it is commonly thought that the SSI/SSP program primarily assists the low-income elderly, almost two-thirds or 64 percent of the SSI/SSP caseload consists of disabled persons. The remainder of the SSI/SSP caseload is made up of the aged (34 percent) and the blind (2 percent of caseload). Caseload in this program has increased by 56.2 percent since 1983-84. (California's population increased by 26 percent.) Growth in the disabled population is the primary factor in the caseload increase over the ten year period. Disabled caseload has increased by 76.9 percent while the aged caseload increased by 29.9 percent and blind by 25.7 percent. This trend is expected to continue in 1993-94. Projected growth in disabled caseload of almost eight percent is partially offset by a two percent growth in the aged and blind caseload for an overall estimated caseload increase of 5.5 percent in 1993-94.

Table 8-9 provides a comparison of SSI/SSP payment standards and the AFDC maximum aid payment for California and the nine other most populous states. As this table shows, California's payment standards are the highest among this group. Nationally, California has the third highest SSI/SSP payment standard among the fifty states.

State-Local Realignment

During 1991-92, the administration of a number of health, mental health and social services programs was transferred from the state to the counties under the State-Local Realignment initiative.

Revenue Projections. Like other revenues, the sales tax and VLF revenues dedicated to realignment have been affected by the condition of the economy. As a result, actual 1991-92 realignment revenues fell \$239 million short of the initial \$2.2 billion estimate. Therefore, the base funding level in future years will be \$1.971 billion.

Table 8-6
Cigarette and Tobacco Products Surtax Fund
Revenues and Expenditures—1991-92 Amounts Available
(Dollars in Thousands)

<i>Revenues:</i>	<i>Admin Board of Equalization</i>	<i>231 Health Education Account</i>	<i>232 Hospital Services Account</i>	<i>233 Physician Services Account</i>	<i>234 Research Account</i>	<i>235 Public Resources Account</i>	<i>236 Unallocated Account</i>	<i>Total</i>
Beginning Balance.....	-	\$ 46,090	\$ 5,865	\$ 6,705	\$ 2,061	\$ 15,352	\$ 1,885	\$ 77,958
Prior Year Adjustment.....	-	-	-	9,002	-	-	4,483	13,485
1991-92 Revenues.....	\$429	103,480	181,090	51,740	25,870	25,870	129,350	517,829
Interest Earned.....	-	7,529	1,207	723	2,830	1,858	767	14,914
Total Revenues.....	\$429	\$ 157,099 (20.0%)	\$ 188,162 (35.0%)	\$ 68,170 (10.0%)	\$30,761 (5.0%)	\$ 43,080 (5.0%)	\$ 136,485 (25.0%)	\$ 624,186 (100%)
Transfers:								
Per Proposition 117	-	-	-	-	-	-	-12,935	-12,935
Access for Infants and Mothers (AIM)	-	-27,188	-4,939	-9,676	-	-	-3,000	-44,803
Major Risk Med. Ins. Fund (Ch. 1168/89).....	-	-	-18,000	-11,000	-	-	-1,000	-30,000
Habitat Conservation Fund	-	-	-	-	-	-10,087	-	-10,087
Total Transfers.....	-	-\$ 27,188	-\$ 22,939	-\$ 20,676	-	-\$ 10,087	-\$ 16,935	-\$ 97,825
Revised Total Resources	\$429	\$ 129,911	\$ 165,223	\$ 47,494	\$30,761	\$ 32,993	\$ 119,550	\$ 526,361
1991-92 Expenditures:								
Department of Health Services (DHS)	-	\$ 65,810	\$ 168,587	\$ 35,239	\$ 1,723	-	\$ 79,001	\$ 350,360
Department of Education.....	-	27,117	-	-	-	-	500	27,617
Office of Statewide Health Planning	-	-	423	-	-	-	-	423
University of California.....	-	-	-	-	26,852	-	-	26,852
Resources Agency.....	-	-	-	-	-	\$ 259	-	259
CA Conservation Corps.....	-	-	-	-	-	234	-	234
Forestry and Fire Protection.	-	-	-	-	-	3,776	-	3,776
Fish and Game.....	-	-	-	-	-	4,455	-	4,455
Wildlife Conservation Board.	-	-	-	-	-	1,032	-	1,032
Parks and Recreation.....	-	-	-	-	-	8,373	-	8,373
Water Resources.....	-	-	-	-	-	459	-	459
Water Resources Control Board.....	-	-	-	-	-	764	-	764
Board of Equalization.....	\$429	-	-	-	-	-	-	429
Department of Mental Health.	-	-	-	4,000	-	-	36,000	40,000
CA Tahoe Conservancy	-	-	-	-	-	1,003	-	1,003
Legislative Claims	-	-	-	-	-	6	-	6
Direct ProRata Charges.....	-	-	-	-	-	-	11	11
Total Expenditures.....	\$429	\$ 92,927	\$ 169,010	\$ 39,239	\$28,575	\$ 20,361	\$ 115,512	\$ 466,053
Reserve	-	36,984	-3,787	8,255	2,186	12,632	4,038	60,308

Table 8-7
Cigarette and Tobacco Products Surtax Fund
Revenues and Expenditures—1992-93 Amounts Available
(Dollars in Thousands)

<i>Revenues:</i>	<i>Admin Board of Equalization</i>	<i>231 Health Education Account</i>	<i>232 Hospital Services Account</i>	<i>233 Physician Services Account</i>	<i>234 Research Account</i>	<i>235 Public Resources Account</i>	<i>236 Unallocated Account</i>	<i>Total</i>
Beginning Balance.....	—	\$ 36,984	—\$ 3,787	\$ 8,255	\$ 2,186	\$ 12,632	\$ 4,038	\$ 60,308
Prior Year Adjustments:								
1989-90 CHIP funds (LA Co) ..	—	—	—	—	—	—	29,437	29,437
CHIP Recoupments	—	—	—	—	—	—	12,500	12,500
1992-93 Revenues	\$461	102,287	179,001	51,143	25,572	25,572	127,858	511,894
Estimated Interest.....	—	800	700	100	500	300	9	2,409
Total Revenues	\$461	\$140,071	\$ 175,914	\$ 59,498	\$28,258	\$ 38,504	\$ 173,842	\$ 616,548
		(20.0%)	(35.0%)	(10.0%)	(5.0%)	(5.0%)	(25.0%)	(100%)
Transfers:								
Per Proposition 117	—	—	—	—	—	—	—12,786	—12,786
Access for Infants and Mothers (AIM)	—	—	—18,000	—11,000	—	—	—1,000	—30,000
Major Risk Med. Ins. Fund (Ch. 1168/89)	—	—	—4,939	—13,676	—	—	—24,000	—42,615
Habitat Conservation Fund ...	—	—	—	—	—	—9,000	—	—9,000
Total Transfers	—	—	—\$ 22,939	—\$ 24,676	—	—\$ 9,000	—\$ 37,786	—\$ 94,401
Revised Total Resources	\$461	\$140,071	\$ 152,975	\$ 34,822	\$28,258	\$ 29,504	\$ 136,056	\$ 522,147
1992-93 Estimated Expendi- tures:								
Department of Health								
Services (DHS)	—	\$105,346	\$ 143,581	\$ 29,622	\$ 1,541	—	\$ 133,256	\$ 413,346
Department of Education.....	—	26,099	—	—	—	—	—	26,099
Office of Statewide Health Planning	—	—	393	—	—	—	—	393
University of California	—	—	—	—	23,704	—	—	23,704
CA Conservation Corps.....	—	—	—	—	—	\$ 227	—	227
Forestry and Fire Protection.	—	—	—	—	—	1,653	—	1,653
Fish and Game.....	—	—	—	—	—	7,510	—	7,510
Wildlife Conservation Board.	—	—	—	—	—	984	—	984
Parks and Recreation.....	—	—	—	—	—	14,797	—	14,797
Water Resources.....	—	—	—	—	—	137	—	137
Water Resources Control Board.....	—	—	—	—	—	775	—	775
CA Tahoe Conservancy.....	—	—	—	—	—	516	—	516
Board of Equalization.....	\$461	—	—	—	—	—	—	461
Legislative Claims	—	—	—	—	—	12	—	12
Direct ProRata Charges.....	—	—	102	32	79	5	84	302
Total Estimated Expenditures	\$461	\$131,445	\$ 144,076	\$ 29,654	\$25,324	\$ 26,616	\$ 133,340	\$ 490,916
Reserve	—	8,626	8,899	5,168	2,934	2,888	2,716	31,231

Table 8-8
Cigarette and Tobacco Products Surtax Fund
Appropriations—1993-94 Amounts Available
(Dollars in Thousands)

<i>Revenues:</i>	<i>Admin Board of Equalization</i>	<i>231 Health Education Account</i>	<i>232 Hospital Services Account</i>	<i>233 Physician Services Account</i>	<i>234 Research Account</i>	<i>235 Public Resources Account</i>	<i>236 Unallocated Account</i>	<i>Total</i>
Beginning Balance.....	-	\$ 8,626	\$ 8,899	\$ 5,168	\$ 2,934	\$ 2,888	\$ 2,716	\$ 31,231
1993-94 Revenues	\$445	99,304	173,781	49,652	24,826	24,826	124,129	496,963
Estimated Interest.....	-	200	-	-	100	250	-	550
Total Revenues.....	\$445	\$108,130	\$ 182,680	\$ 54,820	\$27,860	\$ 27,964	\$ 126,845	\$ 528,744
		(20.0%)	(35.0%)	(10.0%)	(5.0%)	(5.0%)	(25.0%)	(100%)
Transfers:								
Per Proposition 117	-	-	-	-	-	-	-12,413	-12,413
Access for Infants and Mothers (AIM)	-	-	-4,939	-13,676	-	-	-39,000	-57,615
Major Risk Med. Ins. Fund (Ch. 1168/89)	-	-	-18,000	-11,000	-	-	-1,000	-30,000
Habitat Conservation Fund ..	-	-	-	-	-	-3,246	-	-3,246
Total Transfers.....	-	-	-\$ 22,939	-\$ 24,676	-	-\$ 3,246	-\$ 52,413	-\$ 103,274
Revised Total Resources	\$445	\$108,130	\$ 159,741	\$ 30,144	\$27,860	\$ 24,718	\$ 74,432	\$ 425,470
1993-94 Estimated Expendi- tures:								
Department of Health Services	-	\$ 83,846	\$ 155,606	\$ 29,035	\$ 1,649	-	\$ 71,448	\$ 341,584
Department of Education.....	-	22,119	-	-	-	-	437	22,556
Office of Statewide Health Planning	-	-	432	-	-	-	-	432
University of California.....	-	-	-	-	25,587	-	-	25,587
CA Conservation Corps.....	-	-	-	-	-	\$ 224	-	224
Forestry and Fire Protection.	-	-	-	-	-	1,623	-	1,623
Fish and Game.....	-	-	-	-	-	7,693	-	7,693
Wildlife Conservation Board .	-	-	-	-	-	-	-	-
Parks and Recreation.....	-	-	-	-	-	13,042	-	13,042
Water Resources Control Board	-	-	-	-	-	761	-	761
Board of Equalization.....	\$445	-	-	-	-	-	-	445
Direct ProRata Charges to Funds.....	-	-	50	15	66	-	259	390
Total Expenditures.....	\$445	\$105,965	\$ 156,088	\$ 29,050	\$27,302	\$ 23,343	\$ 72,144	\$ 414,337
Reserve	-	2,165	3,653	1,094	558	1,375	2,288	11,133

Table 8-9

**Comparison of Payment Standards for the Ten Most Populous States
SSI/SSP as of January 1992, AFDC as of December 1992**

States ¹	SSI/SSP Payment Standards				AFDC Maximum Aid Payment Family of 3
	Independent Living Arrangement				
	Aged and Disabled		Blind		
	Individuals	Couples	Individuals	Couples	
California	\$645	\$1,190	\$719	\$1,395	\$624
New York ²	508	735	508	735	577
Texas ³	422	633	422	633	184
Florida ³	422	633	422	633	303
Pennsylvania.....	454	682	454	682	403
Illinois ⁴	422	633	422	633	367
Ohio ³	422	633	422	633	334
Michigan.....	436	654	436	654	454
New Jersey.....	453	658	453	658	424
North Carolina ³	422	633	422	633	272

¹ In descending order by state population, 1990 census.

² New York's SSI/SSP grant level and AFDC maximum aid payments (MAP) vary within the state by region and other factors.

³ These states do not supplement SSI for an independent living arrangement.

⁴ Does not have a standard SSP allowance. Payments are based upon individual needs and circumstances.

The revenue projections for 1992-93 have been revised downward from the \$2.244 billion reflected in May Revision to the 1992-93 Governor's Budget to \$2.093 billion. Based on this current projection, a total of \$122.3 million in growth revenue (\$74.5 million sales tax and \$47.8 million VLF) will be available for distribution to the counties. In addition, projections for 1993-94 indicate that a total of \$194.3 million in growth revenue (\$130.5 million sales tax and \$63.8 million VLF) will be available for distribution.

In Table 8-10 the sales tax and VLF growth revenues have been distributed according to allocations generally as specified in Chapters 89 and 611, Statutes of 1991. However, the allocation to the County Medical Services Program is based on an assumption that existing law will be clarified to provide this program a growth allocation proportional to the overall increase in sales tax revenues and vehicle license fees.

During 1992-93, sufficient sales tax growth revenue will not be available to make all of the growth allocations identified in legislation. Consequently, the allocations have been prioritized so that funding for social services

caseload growth is the first priority and is fully funded, the statutory equity adjustments are the second priority and are also fully funded, general growth is the third priority and is partially funded, and special equity adjustments are the fourth priority and are not funded.

During 1993-94, current law requires that \$128,008,000 be distributed according to the realignment growth allocations, and sufficient growth revenue is available to accomplish this. Included in the allocations will be \$6,589,000 for special equity adjustments to make up for the adjustments not paid during 1992-93. Since current law makes no provision for the distribution of any growth revenue exceeding \$128,008,000, the remainder of the projected growth revenues, \$2,477,000, is shown as unallocated in Table 8-10. Presumably the allocation of these funds will be addressed in future realignment legislation.

Long-Term Care

California provides a wide range of publicly funded long-term care services. Welfare and Institutions Code Section 9390.1 defines long-term care as "... a coor-

Table 8-10
State-Local Realignment
(Dollars in Thousands)

<i>Account</i>	<i>1992-93</i>				
	<i>Mental Health</i>	<i>Public Health</i>	<i>Social Services</i>	<i>Special Equity Allocations</i>	<i>Unallocated Sales Tax</i>
BASE:					
<i>Sales Tax Account:</i>					
Mental Health Subacct.....	670,284				
Health Subacct.....		153,916			
Social Services Subacct.....			467,043		
VLF Account.....		679,574			
GROWTH:					
<i>Sales Tax Growth Acct</i>					
Caseload Subaccount.....			32,291		
Indigent Health Subacct.....		4,025			
Community Health Subacct.....		9,856			
Mental Health Subacct.....	3,185				
State Hospital Subacct.....	5,654				
CMSP Subaccount.....		835			
General Growth Subacct.....	9,271	9,373			
Subtotal, ST Growth.....	18,110	24,089	32,291		
VLF Growth Account.....	10,656	18,180	19,001		
VLF Collection Account.....	14,000				
TOTAL	713,050	875,759	518,335		
1993-94					
<i>Account</i>	<i>Mental Health</i>	<i>Public Health</i>	<i>Social Services</i>	<i>Special Equity Allocations</i>	<i>Unallocated Sales Tax</i>
BASE:					
<i>Sales Tax Account:</i>					
Mental Health Subacct.....	670,284				
Health Subacct.....		153,916			
Social Services Subacct.....			467,043		
VLF Account.....		679,574			
GROWTH:					
<i>Sales Tax Growth Acct</i>					
Caseload Subaccount.....			39,146	11,221	
Indigent Health Subacct.....		4,025			
Community Health Subacct.....		9,856			
Mental Health Subacct.....	3,185				
State Hospital Subacct.....	5,654				
CMSP Subaccount.....		1,463			
General Growth Subacct.....	26,582	26,876			
Subtotal, ST Growth.....	35,421	42,220	39,146		
Unallocated ST Growth.....					2,477
VLF Growth Account.....	16,188	24,630	17,890	5,128	
TOTAL	721,893	900,340	524,079	16,349	2,477

minated continuum of preventive, diagnostic, therapeutic, rehabilitative, supportive and maintenance services that address the health, social and personal needs of individuals who have restricted self-care capabilities."

Long-term care services consist of two components, institutional care (for example, nursing home care) and community-based services. Community-based services include residential care facilities and services which

assist individuals to remain in their home instead of being placed in an institution. (Residential care facilities are not classified as "institutional care" in state law. Their level of medical care and funding arrangements differ significantly from institutional care facilities.)

Long-term care services are provided by several departments not only to elderly people, but also to younger, chronically ill, developmentally, mentally or physically disabled people. These agencies include the

Departments of Health Services, Mental Health, Developmental Services, Social Services and the California Department of Aging.

In order to improve the coordination of services provided to this population, the Governor has requested that the Health and Welfare Agency explore ways to reorganize the administration of long-term care services at the state level. The goal of this effort will be to minimize fragmentation, ensure that programmatic goals and policies are consistent, and encourage the most efficient delivery of services possible. The Department of Aging will convene the California State House Conference on Aging in the Fall of 1993 which is expected to play an important role in this overall effort.

The information provided in Table 8-11 summarizes total expenditures and total recipients served for 1991-92, 1992-93 and proposed for 1993-94. This display identifies the services provided, the department responsible for administration and the number of persons receiving services.

Immigration Control and Reform Act of 1986

The federal government enacted the Immigration Reform and Control Act (IRCA) in November, 1986. Through IRCA, funds were allocated to states to assist with the cost of providing public health, public assistance, and education services to eligible persons who

have applied for legal residence status. Eligible persons are those people who have been illegally residing in the United States either prior to January 1, 1982 (pre-82s) or have been engaged in specific types of agricultural work for at least 90 working days before May 1, 1986 (special agricultural workers or SAWS). Pre-82 applicants had until May 4, 1988 to apply for temporary residency while SAWS could apply through November 30, 1988.

Over 3 million persons nationwide have applied for legal residence status according to the U.S. Immigration and Naturalization Service (INS). Of that number, more than 50 percent reside in California.

The amount of SLIAG funds to be made available to states over the 5-year IRCA program, after deducting the estimated offset for federal costs, was expected to be \$3.5 billion. Of that amount, California's share (based on population and costs) was expected to be, minimally, \$2.1 billion (60 percent). To date, California has been allocated only \$1.63 billion for state and local and the Governor's Budget assumes receipt of at least the \$467 million remaining in 1993-94.

The FFY 93 SLIAG allotment for California was \$170.1 million. Of that amount, Education programs will receive 10 percent and the remainder will be prorated among unpaid FFY 91 and FFY 92 claims as required by law. The state's share of the proration is currently estimated to be \$72 million. Table 8-12 shows the allocation of SLIAG funds.

Table 8-11

**Long-Term Care Services
Total Funding and Clients***

**(Dollars in Millions)
(Clients in Thousands)**

Department	1991-92		1992-93		Percent Change of Total \$	1993-94		Percent Change of Total \$
	Total \$	Clients	Total \$	Clients		Total \$	Clients	
AGING								
Adult Day Health Care	\$ 20.2	5.9	\$ 23.0	6.2	13.9	\$ 26.4	6.5	14.8
Alzheimer's Resource Centers	8.5	3.5	9.7	3.7	14.1	9.7	3.9	-
Linkages	2.6	2.0	2.7	2.0	3.8	2.7	2.0	-
Multipurpose Senior Services Program	21.8	8.2	21.9	8.2	0.5	21.9	8.2	-
Transportation	7.8	23.7	7.8	23.7	-	7.8	23.7	-
In-Home Services	6.2	21.5	6.2	21.5	-	6.2	21.5	-
Home Delivered Meals	40.3	47.0	39.3	47.0	-2.5	39.0	47.0	-0.8
Congregate Nutrition	73.2	177.4	73.5	177.4	0.4	72.9	177.4	-0.8
Case Management	4.8	12.5	4.8	12.5	-	4.8	12.5	-
Information & Referral	8.5	410.0	8.5	410.0	-	8.5	410.0	-
Other ^{1,2}	9.2	414.1	9.4	421.4	2.2	9.3	421.4	-1.1
Total Expenditures	\$ 203.1	-	\$ 206.8	-	1.8	\$ 209.2	-	1.2
DEVELOPMENTAL SERVICES								
Community Services	\$ 658.7	101.0	\$ 681.2	106.6	3.4	\$ 744.1	111.3	9.2
State Developmental Centers	588.1	6.6	581.6	6.5	-1.1	597.0	6.4	2.6
Community Placement	7.9	6.6	8.3	6.5	5.1	8.4	6.4	1.2
Total Expenditures	\$1,254.7	-	\$1,271.1	-	1.3	\$1,349.5	-	6.2
HEALTH SERVICES								
Alzheimer's Disease Centers	\$ 4.0	1.2	\$ 4.0	1.1	-	\$ 4.0	1.1	-
Long-Term Care (Skilled Nursing & Intermediate Care Facilities)	1,854.0	72.4	2,050.3	75.5	10.6	2,142.1	78.4	4.5
Total Expenditures	\$1,858.0	-	\$2,054.3	-	10.6	\$2,146.1	-	4.5
REHABILITATION								
Work Activity Program	\$ 60.1	11.6	\$ 52.5	10.6	-12.6	\$ 52.6	10.6	0.2
Supported Employment Program	17.3	3.8	19.0	4.2	9.8	20.6	4.6	8.4
Independent Living Centers	5.9	25.2	5.9	25.2	-	5.9	25.2	-
Total Expenditures	\$ 83.3	-	\$ 77.4	-	-7.1	\$ 79.1	-	2.2
SOCIAL SERVICES								
Non-Medical Board and Care	\$ 352.4	67.0	\$ 386.2	70.3	9.6	\$ 422.6	74.2	9.4
Out-of-Home Care Adults	6.8	13.6	7.2	14.2	5.9	7.6	15.0	5.6
Special Adult Programs	4.8	0.7	2.1	0.9	-56.3	1.4	-	-33.3
In-Home Supportive Services	729.7	166.7	765.3	179.2	4.9	879.9	193.4	15.0
County Services Block Grant	28.0	83.1	26.6	84.3	-5.0	26.6	85.4	-
Total Expenditures	\$1,121.7	-	\$1,187.4	-	5.9	\$1,338.1	-	12.7
MENTAL HEALTH ³								
State Hospitals								
Penal Code and Judicially Committed	\$ 35.1	0.8	\$ 33.4	0.8	-4.8	\$ 36.7	0.8	9.9
Lanterman-Petris-Short	74.5	1.2	68.3	1.0	-8.3	67.9	1.0	-0.6
Other Services	10.4	0.2	10.5	0.2	1.0	11.0	0.2	4.8
Brain Damaged Adults	5.0	-	5.0	-	-	5.0	-	-
Total Expenditures	\$ 125.0	-	\$ 117.2	-	-6.2	\$ 120.6	-	2.9
TOTAL EXPENDITURES ALL PROGRAMS	\$4,645.8	-	\$4,914.2	-	5.8	\$5,242.6	-	6.7

¹ Clients displayed may be duplicated unless otherwise noted

² Includes Health Insurance Counseling and Advocacy, Senior Companion, Respite and Ombudsman.

³ Does not include county match funds.

* This display, reflecting the effect of realignment on state expenditures, does not include county expenditures for community residential treatment, residential care services, institutions for mental disease, and other community services.

Table 8-12

**Immigration Reform and Control Act
Estimated Seven-Year Expenditure Plan**

(Dollars in Thousands)

<i>Program Allocation</i>	<i>1987-88</i>	<i>1988-89</i>	<i>1989-90</i>	<i>1990-91</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>Category Totals</i>
<i>Public Health</i>								
TB/Leprosy Control.....	\$ 1,477	\$ 1,533	\$ 530	\$ 552	-	-	-	\$ 4,092
Sexually Transmitted Diseases.....	1,518	1,077	1,035	1,079	-	-	-	4,709
Immunizations.....	24	46	336	242	\$ 242	-	-	890
Perinatal Services.....	-	-	137	-	-	-	-	137
Family Planning.....	-	1,068	-	989	989	-	-	3,046
Adolescent Family Life.....	-	-	22	99	-	-	-	121
IRCA Subvention.....	10,416	21,060	21,948	26,047	29,595	-	-	109,066
Public Health Administration.....	281	1,012	2,694	1,816	1,238	\$ 1,365	-	8,406
Subtotals.....	\$ 13,716	\$ 25,796	\$ 26,702	\$ 30,824	\$ 32,064	\$ 1,365	-	\$ 130,467
<i>Public Assistance</i>								
General Assistance.....	11	448	1,877	1,308	-	-	-	3,644
Foster Care.....	22	880	1,178	2,052	-	-	-	4,132
AFDC-FG.....	11	121	298	2,358	-	-	1,379	4,167
SSI-SSP.....	-	2,256	8,966	20,766	-	-	52,871	84,859
Food Stamps.....	17	129	293	908	-	-	2,768	4,115
Housing.....	-	137	110	-	-	-	-	247
Medi-Cal.....	-	7,959	35,769	164,978	11,500	67,607	253,914	541,727
Calif. Children's Services.....	321	256	355	355	-	-	680	1,967
Medically Indigent Services.....	75,259	151,012	181,197	180,323	-	-	-	587,791
County Medical Services.....	225	1,343	2,409	4,360	-	4,360	2,180	14,877
Primary Care Clinics.....	8,696	8,644	9,366	13,000	-	-	-	39,706
Mental Health.....	-	8,992	6,654	8,564	-	-	-	24,210
HCD Administration.....	-	55	69	65	-	-	-	189
DMH Administration.....	-	132	300	248	-	-	-	680
DSS Administration.....	209	515	569	648	599	621	-	3,161
DHS Administration.....	-	1,234	2,347	2,687	1,730	1,696	-	9,694
HWA Administration.....	-	1,206	1,020	1,394	132	147	-	3,899
Auditor General Administration.....	-	-	30	-	-	-	-	30
Subtotals.....	\$ 84,771	\$185,319	\$252,807	\$404,014	\$ 13,961	\$ 74,431	\$313,792	\$1,329,095
<i>Anti-Discrimination/Ed.</i>								
EDD.....	-	-	-	548	-	-	-	548
Employment & Housing.....	-	-	-	565	-	-	-	565
HWA.....	-	-	-	740	-	-	-	740
Subtotals.....	-	-	-	\$ 1,853	-	-	-	\$ 1,853
<i>Education</i>								
Adult Ed.	8,063	112,813	104,974	87,984	55,020	25,381	-	394,235
K-12.....	926	1,233	-	-	-	-	-	2,159
SDE and CCC Administration.....	251	1,553	1,836	2,091	997	628	-	7,356
Subtotals.....	\$ 9,240	\$115,599	\$106,810	\$ 90,075	\$ 56,017	\$ 26,009	-	\$ 403,750
Unallocated.....	-	-	-	-	-	81,624	153,211	234,835
TOTALS.....	\$107,727	\$326,714	\$386,319	\$526,766	\$102,042	\$183,429	\$467,003	\$2,100,000

Public Safety

The commitment of this Administration to the safety and security of the citizens of California is clearly demonstrated in the budgets within the Youth and Adult Correctional Agency, and for the California Highway Patrol and the Department of Justice.

This Governor's Budget supports the correctional programs required for the steadily increasing prison and parole populations which result from tougher criminal sentencing laws and increased law enforcement efforts. For example, the most recent fall 1992 inmate population projections of the Department of Corrections predict that the inmate population will grow to 119,209 by June 30, 1994, a two-year increase of nearly 15,000 inmates. This will require a prison and parole workforce of nearly 33,000 personnel years in 1993-94. As shown in Figure 9-A, funding to support the various programs within the Youth and Adult Correctional Agency will grow to nearly \$3.6 billion. This amount reflects a 1.6 percent increase over the revised current year budget. Despite the growth in the size of these programs, and the Department of Corrections specifically, it should be noted that, for Calendar Year 1990, California was ranked only 14th among 50 states in its incarceration rate for prisoners who are sentenced to more than 1 year, having an incarceration rate of 311 inmates per 100,000 state population, compared to a nationwide rate of 292 inmates.

The following expenditure programs are included in the 1993-94 Governor's Budget.

Department of Corrections

The Department of Corrections (CDC) is responsible for the incarceration of convicted felons and for the supervision of these felons after their release on parole.

By January 1993, California's prison population will have grown from less than 35,000 inmates in 1983 to more

than 109,000. The department now operates 23 institutions, 10 reception centers, 39 camps and 52 community correctional facilities with a total design capacity of 63,000. During the last eight years, the parole population climbed at almost the same rate, growing from less than 28,000 to 86,000.

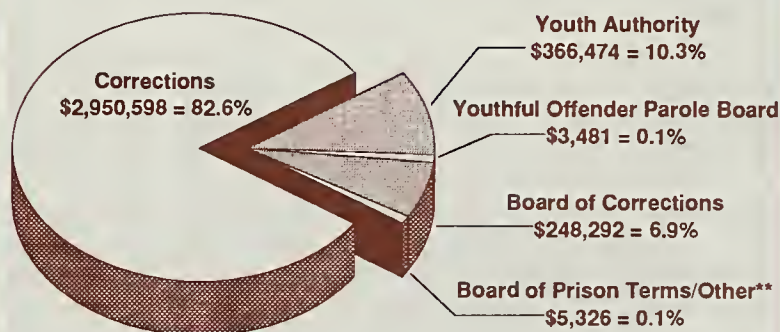
The Governor's Budget provides nearly \$3.0 billion, including \$225 million in general obligation bond debt service costs and 32,902 personnel years for 1993-94 to accommodate these expanding populations (see Figure 9-B).

The department's inmate population is projected to increase from 113,118 on June 30, 1993 to 119,209 by June 30, 1994, an increase of 6,091 inmates or 5.4 percent. The 1993-94 budget includes 1,584 personnel

Figure 9-A

Youth and Adult Correctional Agency Proposed 1993-94 Expenditures* All Funds

(Dollars in Thousands)



*Includes state operations and local assistance costs only.

**Includes Agency Secretary and Presley Institute.

years and \$105.7 million over the revised 1992-93 budget to support this increased population, including the staff and operating costs to fully activate new institutions at Delano in Kern County (North Kern State Prison), Lancaster in Los Angeles County (California State Prison, Antelope Valley), and in southern Imperial County.

Chapter 695, Statutes of 1992 (Senate Bill 97) provided \$22.5 million for the activation of the Antelope Valley facility beginning February 1993, with a design capacity of 2,200 Level I, III and IV beds plus 400 Level III crowding beds. Additional crowding beds requested in the 1993-94 Governor's Budget include 500 Level III beds and 900 Level IV beds and this new prison will be operating at 190 percent of capacity by September 1993.

The parole population is projected to increase from 86,950 on June 30, 1993, to 89,508 on June 30, 1994, an increase of 2,558 parolees or 2.9 percent.

In an effort to effectively manage the growing demands for inmate medical care, CDC has established a Health Care Services Division. The division's primary objective is to ensure that adequate medical and psychiatric care is provided to CDC inmates in the most cost-effective manner. Resources needed for the division, in addition to 77 current medical staff and 57 positions redirected from within the department include an additional 50

positions and \$2.2 million in 1993-94, offset by savings which result from the conversion of the Correctional Training Facility-Soledad from a Level III to Level II facility.

The inmate population within CDC's institutions is also experiencing an increase in the incidence of Tuberculosis (TB). Costs for inmate treatment of the disease are projected to be beyond that which is manageable with the department's current budget. Because of the contagious nature of the disease and the high cost of treatment, CDC is taking an aggressive approach to control TB within the correctional setting. This is to be accomplished by testing new employees, by annually testing all employees, with increased inmate treatment resources, and through extensive data collection and analysis. For this effort, the budget proposes an additional 13.0 positions and \$2.2 million.

Federal authorities have identified correctional institution workers as being at risk from the dangers of Hepatitis B (HBV). Regulations have been put in place which require CDC to offer specified employees the HBV vaccine at no cost. Since the vaccine's protection lasts at least five years, the 1993-94 budget includes the one time cost, of \$2.3 million.

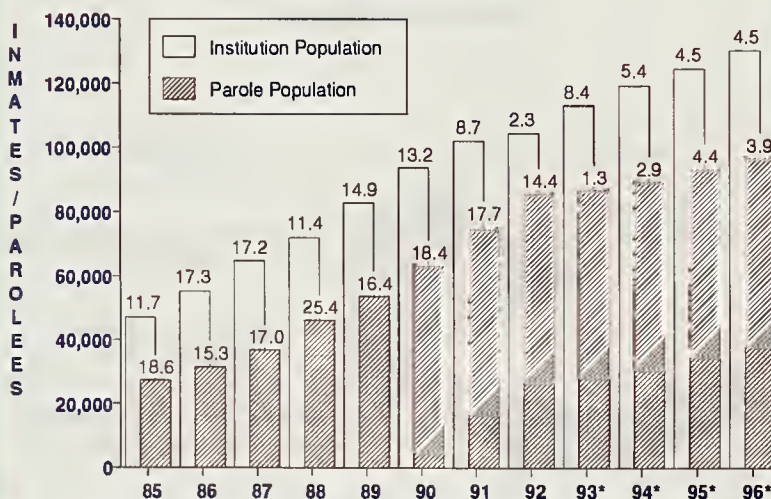
The budget reflects the continuation of the department's effort to develop a single automated offender information system. The 1993-94 budget provides \$11.4 million and 14.7 personnel years to continue the development of the Correctional Management Information System (CMIS). Once implemented, CMIS will create a single automated system that will satisfy the needs of all offender information system users and serve as the hardware and software platform for future information systems.

Prison Construction

Over the past ten years, CDC has been responsible for managing the most extensive and aggressive prison construction program in the history of the nation. The impetus behind new prison construction has been the dramatic increase in inmate population which result from tougher laws and more severe penalties. No new prisons had been built in California since the 1960s resulting in the overcrowding of the prison population reaching a crisis level and accelerating the deterioration of existing prisons. As the prison population continued to climb, the New Prison Construction Program, administered by CDC, was established.

Figure 9-B

Department of Corrections Institution and Parole Population Growth (Populations and Percent Change)



* Based on Fall 1992 estimates

Population as of June 30

Before the New Prison Construction Program commenced, there were 12 prisons in the state prison system. To date, 21 major projects, which include three 500-bed additions and new modular housing units at existing institutions, varying in size from 100 to over 3,000 beds have been completed. In addition, 13 new conservation camps were added and three existing camps were expanded. Three new prisons are presently under construction: California State Prison—Imperial County (South) near El Centro, California State Prison—Riverside County II which is adjacent to Chuckawalla Valley State Prison, and California State Prison—Fresno County near Coalinga. Construction is scheduled to begin in 1993 on California State Prison—Lassen County (Susanville II) and California State Prison—Madera County II. There are also two prisons for which environmental impact reports and/or preliminary plans are in progress: California State Prison—Monterey County (Soledad II) and a joint-use reception center and 300-bed county facility in Marin County located on the grounds of the California State Prison—San Quentin. CDC has also been authorized an additional 1,000 Camp beds. Upon the completion of these projects, CDC will have added approximately 53,000 prison beds to the 26,000 beds available at the beginning of the New Prison Construction Program. (Refer to Table 9-1 for a listing of all new prison-bed projects.)

A significant contribution to this effort has been CDC's use of various prototype building plans which, depending on the level and mission, can be refined and adapted, as needed, to new sites. The use of prototype building plans not only streamlined design and the construction process but also reduced design and construction costs.

The prison population is expected to continue to increase. Presently, all prisons are crowded to critical levels. Unless additional prisons are sited and constructed, the state prison system will be operating at approximately 180 percent of design capacity by mid-1998. Even taking into consideration the approximately 5,500 planned community correctional beds, the occupancy rate would still be in excess of 170 percent. Figure 9-C illustrates this disparity. Gymnasiums and dayrooms have been converted to house inmates that cannot be accommodated by double-celling and the crowding of dormitories.

Financing the costs of new prison construction has been provided through a mixture of funding methods: general obligation bonds, revenue bonds backed by lease purchase agreements and direct appropriations from the General Fund. General obligation bonds are the cornerstone. Five Prison Construction Bond Acts totaling \$2.6 billion of the \$5 billion New Prison Construction Program were approved by the voters in 1982, 1984, 1986, 1988 and 1990. The Legislature has also authorized a total of \$2.4 billion in financing of prison construction through State Public Works Board issued lease purchase revenue bonds.

Even with the number of new beds added to the prison system, the increasing population puts a severe strain on existing institutions. The accelerated deterioration associated with prolonged crowding, combined with court decisions which specify conditions under which inmates may be housed, require major capital improvements to many existing facilities.

The Governor's Budget proposes \$39.2 million from the 1986 Prison Construction Bond Act to renovate the state's existing prison facilities. Allocations are included for:

- Infrastructure rehabilitation and expansion projects.
- Mitigation of environmental discharge and contamination problems.
- Numerous projects to rehabilitate, replace and/or expand inmate programming and support services space.
- Installation of electrified perimeter security fences at specified institutions.

A successful approach utilized by CDC on existing facility projects has been the Inmate Day Labor Program which employs inmates under the supervision of union tradesmembers to accomplish capital outlay projects. Since the inception of the program, it has provided meaningful work and new skills for inmates. Significant accomplishments under this program include and range from the modification of space to accommodate crowding, renovation of existing building space including hospital space, to the construction of new replacement buildings.

Department of the Youth Authority

The Department of the Youth Authority protects society from criminal and delinquent behavior by young people and provides training and treatment directed toward helping these youths become productive citizens.

The Governor's Budget proposes a total of \$343 million and 5,079 personnel years for the operation of the Department, which consists of 11 institutions and 4 conservation camps, as well as local assistance funding of \$23 million for 1993-94.

Youth Authority institutions are projected to house 8,729 wards by June 30, 1993. This is 18 more than the previously budgeted level of 8,711. By June 30, 1994, the institutions population is estimated to be 9,092 and reflects an overall population increase of 381.

To date, the department has fully implemented or begun eleven "bed-saving" alternative programs to reduce the ward population within the institutions. These alternative programs focus on preparing the wards for successful reintegration in the community as productive citizens. Public protection is further increased by providing early detection of problems and early intervention through parole violator services, intensive parole supervision, home restriction involving the use of electronic monitor-

Table 9-1

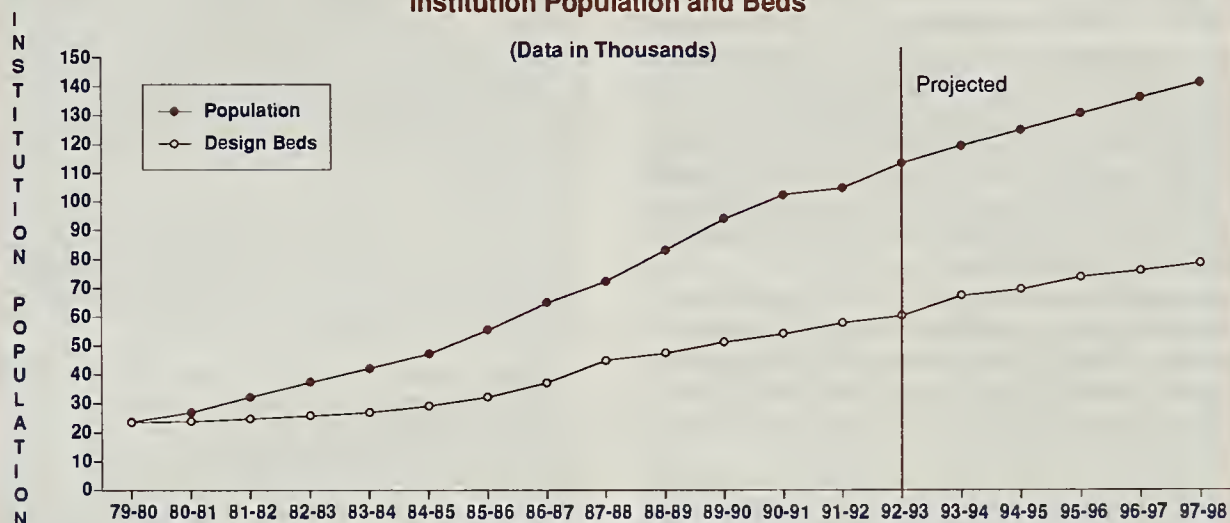
**Department of Corrections
New Prison Bed Construction Projects**

<i>Major Projects</i>	<i>Design Bed Capacity</i>	<i>Construction Start^a</i>	<i>Initial Occupancy</i>
NEW PRISONS—COMPLETED:			
Mule Creek State Prison.....	1,700	January 1985	June 1987
Richard J. Donovan Correctional Facility at Rock Mountain	2,200	May 1985	July 1987
Northern California Women's Facility	400	November 1985	July 1987
Avenal State Prison	3,034	December 1985	January 1987
CSP-Kings County at Corcoran	2,916	September 1986	February 1988
Pelican Bay State Prison	2,280	March 1987	December 1989
Chuckawalla Valley State Prison	2,000	May 1987	December 1988
Central California Women's Facility	2,000	October 1988	October 1990
Wasco State Prison-Reception Center	2,484	May 1989	February 1991
Calipatria State Prison.....	2,208	March 1990	January 1992
North Kern State Prison.....	2,492	February 1990	April 1993
CSP-Antelope Valley	2,200	October 1990	February 1993
Subtotal	25,914		
MAJOR EXPANSIONS—COMPLETED:			
California Men's Colony-West, Renovation.	900	1983	June 1984
Southern Maximum Security Complex.....	1,000	June 1983	October 1985
CPS-Solano County	2,404	January 1984	August 1984
CSP-Sacramento County at Folsom	1,728	April 1985	October 1986
Three 500-Bed Additions	1,500	November 1985	August 1986
California Institution for Women, Special Housing Unit	100	October 1986	June 1987
Subtotal	7,632		
OTHER PROJECTS—COMPLETED:			
Camps	1,370	Various	June 1984
Modular Housing Units	1,000	Various	June 1984
Subtotal	2,370		
OTHER AUTHORIZED PROJECTS:			
CSP-Imperial County (South).....	2,208	July 1991	October 1993
CSP-Riverside County II.....	2,400	January 1992	October 1994
CSP-Fresno County at Coalinga.....	2,208	July 1992	October 1994
CSP-Lassen County (Susanville II)	2,224	March 1993	Fall 1995
CSP-Madera County II	1,984	May 1993	Fall 1995
CSP-Monterey County (Soledad)	2,224	Pending ^a	Pending ^a
CSP-San Quentin Joint-use Correctional Facility.....	2,650	Pending ^a	Pending ^a
New Camps and Camp Expansions	1,000	Pending	Pending
Subtotal	16,898		
GRAND TOTAL.....	52,814		

^a Schedules to be developed upon completion of Environmental Impact Report.

Figure 9-C

Department of Corrections Institution Population and Beds



NOTE: "Beds" represent the institutional design capacity of authorized and proposed institutions and camps as of June 30 of each fiscal year. Additional bed space is provided through other means, such as:

- o Addition of a second bed in individual cells.
- o Addition of temporary beds in gymnasiums, dayrooms, auditoriums and dormitories.
- o Addition of Return-to-Custody and other community-based facility beds obtained by contracts with local governments and private vendors.

ing devices, secure and structured community drug abuse treatment and ongoing job counseling programs. In 1993-94, the department proposes to expand a highly structured program for youthful offenders with a chemical abuse or addictive personality. This program proposes to use an intensive military model program designed to prevent a ward's further incursion into the criminal justice system.

When fully implemented, including the new program described above, these programs will have avoided the need for 1,553 beds, thus limiting institution crowding to approximately 136 percent of design capacity during the budget year.

To lower the crowding level in the Department of the Youth Authority's facilities, the department has constructed 1,100 new institutional beds and is proposing an additional 1,550 institution beds. These proposed new beds will be constructed on the grounds of existing department institutions. The Governor's Budget proposes funding in the amount of \$1.5 million for the initial planning phases of these projects. Additionally, the budget contains \$9.4 million for projects addressing program changes and facility deterioration. These projects include adding a vocational auto body shop at

Heman G. Stark Youth Training School, replacing the maintenance shops and adding a multipurpose building at Fred C. Nelles School, and \$4.5 million for minor capital outlay projects statewide.

Figure 9-D illustrates actual crowding levels since 1987 and projected crowding levels through 1998. Most recently, on June 30, 1992, the department was operating at 126 percent of institution design capacity. Future operating levels are expected to gradually increase and reach 161 percent of design capacity by the end of fiscal year 1997-98.

California Highway Patrol

The California Highway Patrol (CHP) enforces the laws to ensure the safe and efficient flow of traffic on the State's highway system. For 1993-94, the Governor's Budget proposes a funding level of \$699 million for the CHP.

The CHP, in cooperation with Caltrans, will continue to operate the successful freeway service patrols in the Los Angeles Basin, San Francisco, Orange County, San Diego and Sacramento Counties during peak commute hours to reduce congestion by removing disabled vehicles or other obstructions from highway lanes.

For the past ten years, California's mileage death rate (MDR) has steadily declined from 3.2 percent in 1981 to 1.7 percent in 1991—a drop of 48 percent. In 1993–94, the Highway Patrol will continue to aggressively enforce the speed laws, the use of occupant restraints and the tough new laws against driving under the influence, making California's highways safer.

New Technologies. As part of an on-going effort to reduce traffic congestion, the CHP is experimenting with Mobile Digital Computer (MDC) technology. Phase I will allow the officers remote data base access from vehicles using low band radio frequencies, use of the magnetic stripe on California driver's licenses to capture driver information, and application software to prepare and submit traffic collision reports.

Advancing into the "Smart Vehicle" phase will be accomplished by expanding the MDC technology to add Automatic Vehicle Locator, Hand-held Data Entry and Automatic Citation Device capabilities. State-of-the-art computer-aided dispatching systems are necessary to support the "Smart Vehicle" environment.

The complete development of the in-car information system is based on infrastructure that provides a state-of-the-art information system which delivers information to and from the officer as needed in the actual enforce-

ment environment. This will reduce the time it takes to record traffic accidents and to restore the flow of traffic. Additionally, it will provide officers with a direct link to criminal information and vehicle/driver record information systems.

Information Systems. Historically, the CHP has been a leader in traffic law enforcement and in the innovative use of technology. Increasing workloads and demands for service compelled CHP to develop a Long Range Information Systems Plan, which fundamentally changes the way CHP does business with respect to information technology.

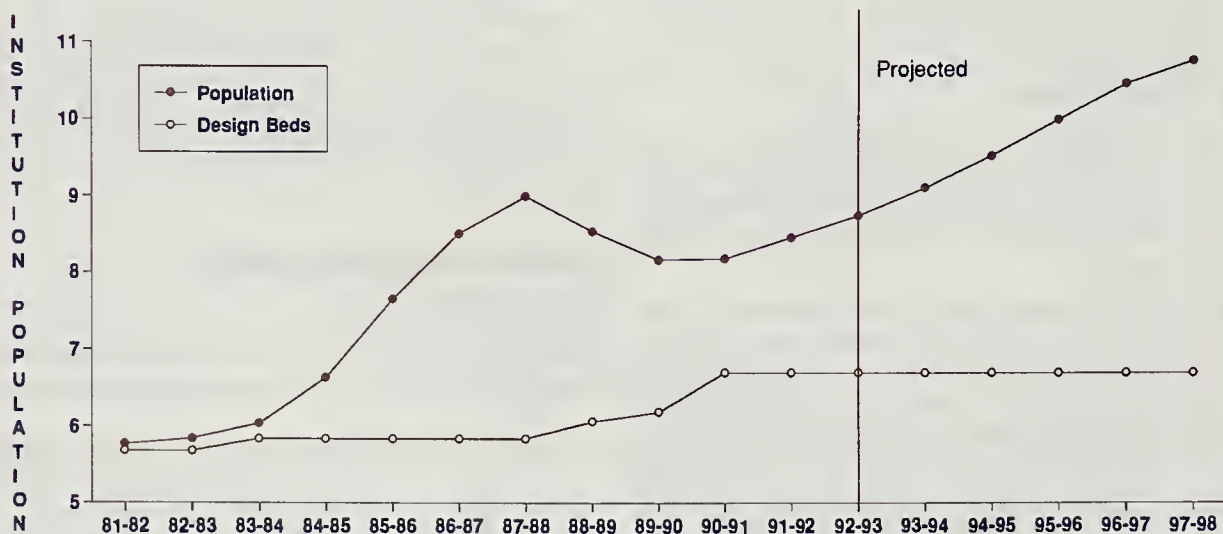
The information plan will link departmental goals, business plans and objectives to CHP information resources. It ensures that information technology is strategically positioned within the CHP environment and is aligned with the CHP's objectives for the future.

The California Highway Patrol is streamlining its existing personnel processes to eliminate redundancy and duplication of both effort and data, while building a base for future efficiencies through technology. This will eliminate the need to add clerical staff in the future to handle increases in paper workload, expand storage capabilities and invest in repair and acquisition of outdated equipment.

Figure 9-D

Department of the Youth Authority Institution Population and Beds

(Data in Thousands)



NOTE: "Beds" represent the institutional design capacity of authorized institutions and camps as of June 30 for each fiscal year. Projected population reflects all approved "bed-saving" alternative programs.

The CHP will improve the current technology to standardize the computer system used by dispatch operators and area/division command personnel, which currently is not compatible with the industry standards. Upgrading the current system to a multi-tasking operating environment will free up 20,958 hours of time currently wasted on an outmoded system and allow the time to be redirected to more productive activities.

Workers' Compensation. Since 1986–87, the cost to the California Highway Patrol of participation in the Workers' Compensation Program has increased by approximately 65 percent. By contrast, staffing for the department during that same period has grown by only 16 percent.

For the foreseeable future, workers' compensation expenditures are anticipated to increase in annual increments of 10–15 percent, or \$3–4 million. The CHP has no expectation that it will experience similar increases in personnel. In fact, the impact of increasing workers' compensation costs has taken its toll on the department in the form of having to maintain higher than normal levels of vacant uniformed positions, and redirecting those funds to pay for increasing workers' compensation costs.

In 1992–93, 106 uniformed positions were held vacant to provide for unfunded workers' compensation costs. The proposed 1993–94 Governor's Budget reflects a permanent adjustment to eliminate the 106 positions and

continuously redirects related funding in the amount of approximately \$8 million to the Workers' Compensation System. In total, the Governor's Budget includes \$34 million for the CHP's workers' compensation costs in 1993–94.

Department of Justice

For 1993–94, the Governor's Budget proposes an increase of \$9.4 million in the Criminal Law Division to address increased legal casework in the Appeals, Writs and Trials (\$8.4 million) and Correctional Law sections (\$1.0 million). The mandatory workload within the Appeals, Writs and Trials section, in defense of the state, is critical to ensure that the people of the State of California are properly represented in appeal cases filed by criminal defendants. Without proper representation, unmeritorious appeals of criminal convictions could be successful resulting in costly retrials or the release of individuals before they serve their appropriate term. The Correctional Law section is also responsible for a mandatory workload in defense of the state which primarily involves civil cases filed by state prisoners for issues such as conditions of confinement and prison management practices. Although this increase will be partially offset by a \$2.9 million decline in Asset Forfeiture funding for this division, it will allow the department to meet the most critical mandatory workload needs on a priority basis.

Environmental Quality

California has led the nation and often the world in its devotion to a clean, safe, and productive environment. This commitment is evidenced in the high standards set by the Administration to protect the quality of our air, water, land, and natural resources, and thus our quality of life.

The mission of the California Environmental Protection Agency (Cal-EPA) is to maintain and enhance environmental quality in order to protect public health, the welfare of our citizens, and our natural resources. Cal-EPA consists of the following organizations, each of which has its own contribution to make in furtherance of California's environmental objectives:

- Office of the Secretary for Environmental Protection provides policy guidance to ensure that the boards, departments and offices under its jurisdiction fulfill their responsibilities in a coordinated manner that promotes common themes and program strengths.
- Air Resources Board, working in conjunction with local air quality districts, has responsibility for protecting air quality in California.
- Department of Pesticide Regulation ensures the safe use of pesticides, and provides agriculture and industry with adequate methods of, and alternatives to, pesticide use.
- Department of Toxic Substances Control regulates the management of hazardous waste and promotes its reduction, and ensures that waste sites are properly decontaminated.
- Integrated Waste Management Board is responsible for the management of non-hazardous waste, focusing on source reduction, re-use, recycling, and safe disposal.
- Office of Environmental Health Hazard Assessment provides scientific and technical expertise in assessing the human health and environmental risks of chemicals in the

environment, and provides support, consultation, information and training to State and local agencies and to the public.

- State Water Resources Control Board and the Regional Water Quality Control Boards preserve and enhance the quality of California's water resources, and assure their proper allocation and efficient use.

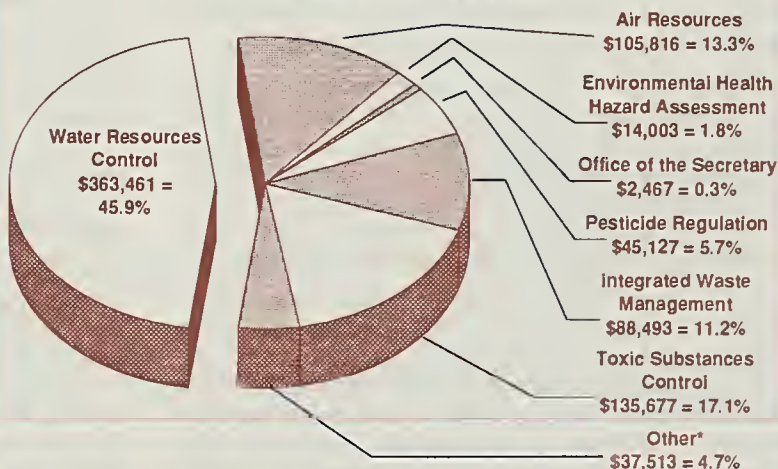
Commitment to Environmental Protection

California now finds its commitment to environmental protection challenged on many levels. Our population stands at 31,300,000, and projections show continued additions of over 600,000 new Californians each year. This growth puts pressure on our traditional environ-

Figure 10-A

California Environmental Protection Agency (Cal-EPA) Proposed 1993-94 Expenditures All Funds

(Dollars in Thousands)



*Other includes: State mandated local costs and payment of Interest on General Obligation bond debt service.

mental programs to continue their past successes despite ever-increasing demands on our natural resources and environment. Meanwhile, environmental programs, as other government programs, face increased scrutiny in seeking new public funds. The current economic conditions, combined with existing statutory and constitutional spending formulas, mean few new resources are available for any public agency, and often mean painful but necessary reductions.

In examining how to achieve its mission as we move into the next century, Cal-EPA has identified several key issues that must be addressed:

- How can Cal-EPA programs be designed and administered to achieve both a high quality environment and a healthy economy?
- How can Cal-EPA improve the coordination and integration of environmental programs, while maintaining the effectiveness of individual Boards and Departments?
- How can Cal-EPA build and maintain the capability to preserve and enhance the environment given fiscal and staffing constraints?
- How can Cal-EPA promote environmentally responsible behavior?
- How can Cal-EPA maintain and enhance its role as a highly professional and effective advocate for environmental protection and public health?

Our strategy to address these issues in the coming years is built around several fundamental themes:

Technology Development and Permit Reform. The single most important goal before Cal-EPA is to make environmental protection consistent with a strong competitive position for California's economy. California has among the highest environmental standards in the world, but perhaps the most convoluted permitting process in the world. There is no reason that high standards must be linked with such a process. Our goal must be high standards with an efficient process that adds value.

Our high environmental standards provide a great economic opportunity. They lead to innovation, and technology and quality improvements. With our entrepreneurial culture, strong educational and research system, attraction to newcomers, and many facilities previously used for national defense and energy, California is poised for great growth in environmental technologies.

Permit reform is inextricably linked to technology development. The great problem of U.S. technology development generally—that Americans research and develop technologies which are then manufactured and marketed abroad—is a real risk for environmental technologies. California environmental standards may become the world's standards, but we will be nothing more than a research laboratory if resulting products cannot be manufactured here. Also, of course, permit

reform is needed for the manufacturing and development sector more generally.

These efforts toward regulatory reform will be informed by an enforcement mindset. An enforcement focus has the benefit of leading to regulations that are simpler and more reflective of actual field experience—because a regulation that is difficult for the regulated community to decipher and comply with is also difficult for government to enforce. Enforcement not only protects the public health, but it also assures that good corporate citizens are not undercut by ill-gotten gains accruing to unscrupulous competitors.

Coordination in Decision-Making. One of the most challenging and yet important opportunities for the State is the continued integration of policy and planning activities. Environmental issues can no longer be viewed in a vacuum, nor can we afford to simply react to environmental concerns as they arise through crisis. By careful planning and proactive actions, the State can provide a tough, but consistent and understandable, approach to environmental protection. With the creation of Cal-EPA, the State now has the opportunity to address environmental quality issues in a comprehensive and thorough manner.

New Directions in Environmental Protection. As the State works to strategically plan its future, new approaches to environmental protection must be explored. After more than two decades of experience, we have in many cases pushed the limits of existing control technology and the benefits from command and control regulation. These historical approaches will still maintain effective results into the future, but future progress in attaining our goals requires initiative and innovative thinking. Pollution prevention, looking for opportunities to prevent pollution before it is created, should replace the historical approach of reacting to environmental degradation after it has occurred.

One specific area of opportunity involves the broader use of market incentives to address environmental protection concerns. Cal-EPA has been investigating the feasibility of various market incentive concepts. A conference will be held in January 1993 to conduct a thorough review of the existing command and control programs, and identify likely candidates for supplementing or supplanting them with market incentive approaches.

The California "Comparative Risk" project provides another example of new approaches to priority setting. The purpose of this project is to identify the most important environmental issues facing California, using a science-based approach for ranking risks. Such a ranking will enable us to focus on issues of the greatest concern, so that available resources may be used most effectively. The hierarchy of issues developed in the course of the project will be factored into future budget, planning and legislative processes.

The numerous challenges facing California in the future—the demands on our air, water, land and natural resources, waste management, energy supply, and others—will be great. However, the State has now charted a course that demonstrates the only way to effectively balance environmental and economic concerns is to avoid single-purpose views and instead work

cooperatively to ensure workable solutions. California now has the structure in place that can aggressively take on our environmental challenges while increasing the State's competitiveness. This structure will allow for California to preserve its legacy of environmental stewardship as well as its reputation as a land of golden opportunity.

Business, Transportation and Housing

An efficient and effective infrastructure is essential to California's economic vitality. With continued weakness in economic growth due to a national recession, State revenues continue to be constrained. The Business, Transportation and Housing Agency (BT&H), through innovative investments in transportation and housing development, provides the infrastructure for a strong economy that will foster an environment in which businesses prosper and jobs are created.

Mobility. The State's ability to move goods, services, information and people efficiently will increase California's competitiveness and insure its future as a leader in the global marketplace. The 1993-94 Governor's Budget for Business, Transportation and Housing recognizes the need to enhance the development and expansion of California's economic vitality by providing leadership in achieving an integrated transportation system that ensures the quick and efficient movement of people, goods, services and information.

Regulatory Streamlining. Recognizing its role to be a catalyst for economic development, BT&H has embraced policies focusing on streamlining the regulatory process, creating public/private partnerships, and identifying opportunities to eliminate duplicative government oversight responsibilities as top priorities.

BT&H will continue to encourage investment in housing not only for the shelter provided, but for the jobs created—activity that drives economic recovery. The Governor's Budget reflects the need to reduce cumbersome regulations associated with housing and economic development, and which govern capital investments.

Fostering greater cooperation between public and private partners reduces reliance on government to solely lead California out of a depressed economic environment and forges new partnerships to address the challenges that face California.

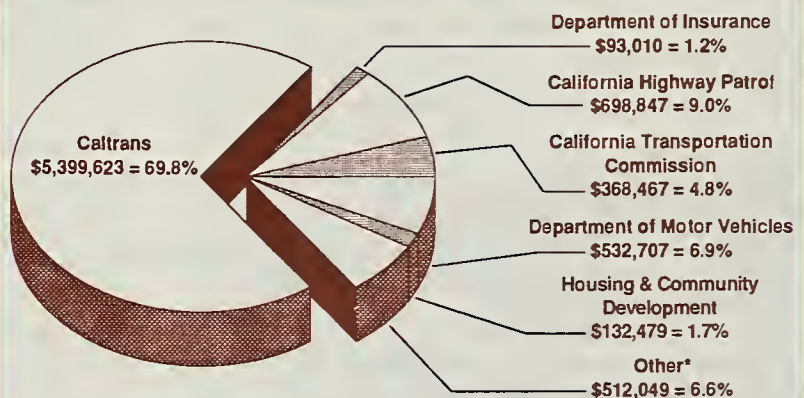
Responsive Government. The effective and efficient use of government resources reflects the Administration's determination to spend taxpayer dollars wisely, through the expanded use of the latest technology.

The Governor's Budget embraces the concept that responsive government takes into account the need to protect the public's interest with limited resources.

Figure 11-A

Business, Transportation and Housing Proposed 1993-94 Expenditures All Funds

(Dollars in Thousands)



*Reflects allocations for the Department of Real Estate, Office of Real Estate Appraisers, Department of Alcoholic Beverage Control, Department of Corporations, State Banking Department, Office of Savings and Loan, Stephen P. Teale Data Center, Office of Traffic Safety, Special Transportation Programs, California Housing Finance Agency and other miscellaneous organizations. Also includes the costs associated with Business, Transportation and Housing mandates and debt service.

The Administration recognizes that the customer's time is valuable and government services must be responsive to the realities of the market place, which reflect the needs of a highly mobile, fast-paced society.

Public Safety. The Governor's Budget contains approximately \$699 million to support the California Highway Patrol (CHP), the State agency responsible for assuring the safety of the motoring public. (For further details on the CHP budget, refer to the Public Safety Section of this Summary—California Highway Patrol.)

For 1993–94, the Governor's Budget proposes expenditures of \$7.7 billion to address the business, transportation and housing needs of the State. The allocation of these funds among the Business, Transportation and Housing Agency departments is shown in Figure 11-A.

Department of Transportation

The Governor's Budget proposes 1993–94 expenditures of \$5.4 billion for Caltrans to plan future highway construction projects, rehabilitate the existing highway system and work with local agencies to plan and implement local transportation projects. Included in this total are \$2.4 billion for highway construction projects and \$734 million in local assistance funding to support local highway projects. Also included are \$400 million in federal funds for local projects and \$83 million in State funds for new local highway transportation projects, investing

public funds into local economies and creating thousands of new jobs.

The budget also proposes an appropriation of \$200 million for the State-Local Transportation Partnership Program authorized by Proposition 111 in 1990. Through 1993–94, \$900 million will have been appropriated to fulfill the Proposition 111 commitment, which called for \$2 billion in State-local partnership funding over a 10-year period.

Table 11-1 summarizes the department's planned accomplishments in meeting all the Proposition 111 commitments through 1993–94.

High Speed Ground Transportation. The Governor's Budget recognizes California's responsibility to develop new technologies that will improve existing transportation systems and protect the environment. Caltrans' focus in partnership with others, is on providing leadership for California's transportation future by developing plans and programs leading to an efficient and effective transportation system which will include a high-speed ground transportation network.

The Los Angeles-Bay Area is the focus of the department's high-speed rail program. With its large, diverse population at both ends of the corridor, and significant subsidiary markets, it is the most highly traveled corridor in the United States, and is considered one of the most viable market prospects for high-speed rail operations in the world.

Table 11-1
Department of Transportation
Ten-Year Funding Plan
(Dollars in Millions)

<i>Element</i>	<i>10-Year Plan</i>	<i>Planned Accomplishments through 1993–94</i>
1988 STIP Shortfall	\$3,500	\$1,262
Intercity, Commuter and Urban Rail	3,000	1,000
Flexible Congestion Relief Program	3,000	264
City/County Subventions—Streets, Roads and Guideways	3,000	1,085
State-Local Transportation Partnership Program	2,000	641
Interregional Road System	1,250	11
Traffic System Management	1,000	116
Highway Maintenance and Rehabilitation	1,000	404
Transit Operations and Capital Outlay	500	101
Soundwalls	150	13
Environmental Enhancement and Mitigation Demonstration Program	100	30
Totals	\$18,500	\$4,927

The 1993–94 Governor's Budget proposes an increase of \$8 million, over two years, for environmental analysis, preliminary engineering and feasibility studies for a high-speed ground transportation system in the Los Angeles-Bay Area corridor.

Proposition 156. In the November 1992 General Election, California voters rejected Proposition 156, which would have provided \$1 billion for rail services in the State. The Department of Transportation will evaluate the impact of this bond failure and make appropriate recommendations.

New Technologies. The department plans to accelerate its efforts into research in proven and new technologies which will permit them to quickly move into the testing, public demonstration and implementation of techniques to improve the flow of traffic, reduce congestion and increase the safety and efficiency of the State transportation system.

The 1993–94 Governor's Budget is proposing to expand existing research programs and to initiate new programs. The department has been instrumental in creating a coalition of partners to ensure success. Federal funding, though the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) has increased, and the department will maximize these additional resources.

The new federal transportation act, provides a better guaranteed return on the gas taxes sent to Washington by increasing states' minimum allocation from 85 percent to 90 percent of the federal taxes collected in California. It will also provide the State with discretion to address transportation problems that are unique to the State, and ensure that sufficient funds are available to complete the Interstate System.

Another example of the department's efforts to use advanced technology to keep traffic moving is the proposal to purchase and install equipment at four California Highway Patrol weigh stations to enable assessment of state-of-the-art high speed by-pass weighing and communication technology. Successful implementation could result in considerable efficiencies for both the State and private industry.

Caltrans hopes to demonstrate, under a controlled environment, applications of unique people and goods movement systems including automatic vehicle guidance systems, narrow vehicles, electric cars and recharging stations, new construction techniques and other highly innovative strategies.

Workers' Compensation. Since 1986–87, the Department of Transportation has seen workers' compensation costs rise by a total of 73 percent. Over the same period, Caltrans has had a 31 percent increase in staff, from 14,825 in 1986–87 to 19,406 in 1993–94. Nevertheless, workers' compensation costs have increased at twice the rate of the increase in staff despite a strong employee safety education program initiated in 1990. In 1990–91, total costs for workers' compensation was

\$13.9 million. In 1991–92, the department expended \$13.1 million, a reduction of about \$1 million from the prior fiscal year as a result of an aggressive employee safety program. As a result, Caltrans has been able to maintain the cost of workers' compensation at a projected \$13 million for 1993–94.

Department of Motor Vehicles

The Department of Motor Vehicles (DMV) is conducting a fundamental reevaluation of its business strategy, customer needs, and customer service requirements with an emphasis on complaint resolution and service level improvement. In years past, DMV has had the luxury of a growing revenue base to fund operations which focused on improving customer service through the addition of staff and the use of automation. With limited resources now available, DMV can no longer solve problems by simply adding staff.

Streamlining of Customer Service. The Governor's Budget reflects DMV's continued efforts to redefine customer service and the manner in which DMV interacts with all of its customers—the average citizen, auto industry, law enforcement, insurance industry, local courts and others. The department is reviewing all customer needs in a more comprehensive way than in the past.

Providing customers with more choices has been a central theme of DMV's efforts. These new approaches will supplement the traditional ways the department has done business, thus giving the customer expanded options. In order to provide better customer service along these lines, use of various technologies to enhance service delivery as well as new partnerships with private and governmental entities will be undertaken.

For example, the department has initiated a project to delegate authority and responsibility for vehicle registration to nongovernmental entities. This project allows private sector businesses to process registration transactions and issue registration indicia on site to facilitate the operation of a vehicle by a rental or leasing company, dealer, or motor carrier.

In streamlining efforts, the department has eliminated the need for insurance companies to prepare written information and mail it to the department. The insurance industry may now report electronically to the department regarding insurance coverage for policyholders involved in accidents or policyholders that have been canceled or reinstated.

The 1993–94 Governor's Budget includes \$266,700 for DMV to implement Saturday office hours at select field offices to provide in-person service. In addition, \$11.2 million is proposed to expand and continue the use of telephone service centers, and \$200,000 for Info/California kiosks to allow customers to conduct simple DMV transactions without visiting a field office.

Workers' Compensation. The Department of Motor Vehicles' workers' compensation costs have increased significantly in the past three years from \$3.9 million in 1989-90 to \$6.2 million in 1991-92. The shortfalls have been funded by a combination of increased salary savings and redirection. The Governor's Budget includes a \$1.2 million augmentation for DMV's workers' compensation costs in 1993-94.

Housing and Community Development

During 1993-94 the Department of Housing and Community Development (HCD) will implement a new approach to streamline the flow of economic development funds authorized through the federal Community Development Block Grant Program (CDBG). An estimated \$4.5 million in CDBG funds will be authorized as start-up capital to allow grantees to originate business loans using local underwriting criteria. This will reduce the approval time for critically needed capital for small businesses which cannot qualify for other loans.

In support of the Administration's emphasis on revitalizing the State's economy, the department will have injected \$80.4 million in general obligation bond funds into the State economy for housing production by the close of 1992-93. The remaining \$10.2 million in bond funds will be awarded in 1993-94. Results of this State investment in housing will ultimately produce 11,610 new units of affordable housing across the State, and as actual construction continues during the current and upcoming years, roughly 12,250 full-time construction related jobs will have been created.

Department of Insurance

The Governor's Budget proposes a total expenditure of \$93 million and 1,023.2 personnel years in 1993-94 for the Department, which includes augmentations totalling \$20.4 million in the following program areas.

Fraudulent Claims. The Department's Fraud Bureau investigates fraudulent claims and provides assistance and funding for local district attorneys for the prosecution of criminals involved in auto, health, life, property, and workers' compensation insurance fraud. The 1993-94 Governor's Budget proposes to create a Fraud Division consisting of the three following bureaus: Automobile Insurance Fraud Bureau, Workers' Compensation Insurance Fraud Bureau, and Disability, Health, Life, and Property Insurance Fraud Bureau.

The Governor's Budget also proposes increased expenditure authority of \$6.6 million and 41.8 personnel years for the Fraudulent Claims Bureau to conduct increased workers' compensation insurance fraud investigation

and prosecution activities, of which \$3.1 million is for support operations and \$3.5 million is for local assistance.

The 1993-94 Governor's Budget proposes increased expenditure authority of \$7.6 million and 32.3 personnel years for the Fraudulent Claims Bureau to conduct automobile insurance fraud investigation and prosecution activities, of which \$2.4 million is for support operations and \$5.2 million is for local assistance.

Financial Surveillance. The Department attempts to identify troubled insurance companies before they become insolvent. The 1993-94 Governor's Budget proposes an increase of \$294,000 and 3.8 personnel years to create a new bureau, the Troubled Companies Bureau, which will be assigned the task of detecting, monitoring and supervising troubled insurers closely, preventing insurance company insolvencies and protecting the consumer; an increase of \$1.8 million and 23.8 personnel years to address workload associated with increased regulation of surplus lines insurers and brokers of which \$510,000 is for 7.6 personnel years in the Corporate Affairs Bureau, \$548,000 is for 6.7 personnel years in the Reinsurance and Technical Support Bureau, and \$714,000 is for 9.5 personnel years in the Investigations Bureau; and, an increase of \$915,000 and 9.5 personnel years for increased in-house and onsite audit of insurers and surplus line brokers to enhance the collection of taxes for the General Fund.

Proposition 103. In November 1988, the electorate passed Proposition 103 which authorizes the Commissioner to approve or reject rate increases proposed by property and casualty insurers, require the Commissioner to provide consumers with comparisons of insurance company rates, and requires auto insurance rollbacks to 20% below the November 1987 rates. This provision was modified by the *Cal Farm* decision to limit the rollback refund to provide insurers a fair rate of return. Chapter 1257, Statutes of 1992 (AB 2875), provides that applicants for rate changes made pursuant to Proposition 103 will, beginning July 1, 1993, be deemed approved 180 days after receipt by the Insurance Commissioner unless a final disapproval order is issued or extraordinary circumstances exist.

The 1993-94 Governor's Budget proposes \$1.4 million as a special item of expense to cover intervenor compensation costs allowable under California Insurance Code Section 1861.10 (b). This section requires the Commissioner to award reasonable advocacy and witness fees and expenses to consumer representatives who make a substantial contribution to the adoption of any order, regulation, or decision by the Commissioner or a court.

Department of Corporations

The Department of Corporations is responsible for regulating the offer, sale and advertisement of securities; licensing and regulating investment brokers and agents; and regulating franchises, various types of financial institutions and health care service plans. In addition to protecting consumers and investors, the department actively encourages economic growth by directing its enforcement effort to ensuring the financial soundness of its licensees.

The Governor's Budget proposes \$28.1 million for the department to carry out its mission in 1993–94. Included in the budget is an increase of \$1,350,000. Among other things, this augmentation will provide additional consumer protection by allowing the department to maintain a core staff of examiners to oversee the fiscal and financial integrity of Health Maintenance Organizations (HMOs) and to respond expeditiously to material modifications in the business activities of the HMOs.

Department of Savings and Loan

The 1993–94 Governor's Budget, in an effort intended to streamline government and reduce costs, proposes to eliminate the Department of Savings and Loan and assign the remaining functions to an Office of Savings and Loan Administration within the Business, Transportation and Housing Agency.

Given the recent changes in federal oversight of the savings and loan industry and the reduced number of State-chartered savings and loan companies, the current department has no meaningful role in examining or regulating the financial condition of the industry.

The proposal, consistent with industry preferences, would be viewed as an interim action to be reviewed after the health of the California real estate industry and financial institutions is restored.

Department of Real Estate

The primary objective of the Department of Real Estate (DRE) is protection of the public interest in the offering of subdivided lands and real property securities and in other real estate transactions. The department works closely with the real estate industry and the State's universities, colleges and vocational schools to increase professionalism and establish educational standards that benefit both licensees and consumers.

The department's 1993–94 budget proposal includes a plan to increase its operational efficiencies and ensure continued funding for vitally mandated programs at appropriate staffing levels, by realigning its fee structure.

The Department of Real Estate is proposing a restructuring of its budget so that its fees more accurately reflect the expenditures attributed to each program and its major program elements are self-sustaining.

A restructuring of the budget and fees would allow DRE to maintain its critical programs at a level necessary to meet the immediate needs of the real estate industry and provide a reasonable degree of protection to the consumer.

Department of Alcoholic Beverage Control

In the protection of the public's interests, the Department of Alcoholic Beverage Control licenses and regulates the manufacture, sale, purchase, possession and transportation of alcoholic beverages within California.

To better serve the public, the funding source for department activities was converted from the General Fund to the Alcoholic Beverage Control Fund, utilizing resources generated by fees collected by the department. The new fee structure more closely reflects the market value of the licenses issued and designated that specific license fees transfer to the General Fund. The increase provides for more staff and automation to meet departmental missions.

In the past, a backlog in processing normal license transactions hindered economic development which resulted in the loss of jobs. Changes in the fee structure will eliminate the backlog for normal transactions and will allow for normal business development and expansion by approving liquor licenses in restaurants, hotels and entertainment facilities, consistent with local planning ordinances.

Responding to the concerns of local residents who want to see an improvement in enforcement of laws that govern the sale of alcohol, the department is proposing legislation that will allow immediate suspension of liquor licenses when it is determined that laws governing the safe sale and use of alcohol have been abused.

State Banking Department

The State Banking Department regulates 262 State-chartered commercial banks holding assets of \$110 billion, 38 trust departments of banks and 24 State-chartered trust companies with a combined \$176 billion in fiduciary assets. The department also supervises 122 offices of foreign banking corporations with assets of \$79 billion as well as licensees who transmit money abroad and issue travelers checks and money orders.

With the continued downturn in the economy, the department has directed all available resources to the examination of its licensees, monitoring the safety and soundness of banking operations. In 1993–94, the department will continue to solicit various types of information and conduct surveys from its licensees in an attempt to identify trends that may provide the department with insight into banking activities during both good and bad economies.

Office of Real Estate Appraisers

In keeping with the Administration's efforts to streamline the regulation process, the Office of Real Estate Appraisers is developing the application, audit, enforcement and disciplinary functions in the most efficient manner possible. Since the inception of the program, the office has received over 15,000 applications and issued nearly 11,000 licenses and certificates.

Approximately \$11 million in revenue has been collected since the office was established. These special funds are being utilized to cover costs over future years until the first renewal cycle brings additional revenue. The office is entirely self-supporting from applicant fees.

Stephen P. Teale Data Center

The Stephen P. Teale Data Center, under the direction of the Business, Transportation and Housing Agency, will

plan and implement the continuous enhancement and maintenance of a state-of-the-art computing environment. This effort will reduce the costs associated with supporting multiple large mainframe systems in balance with improving performance and providing the requisite capacity to meet the customer's business needs.

Automation of the operational and support functions within Teale Data Center is a primary goal. This effort will automate numerous manual processes which will reduce duplicate or overlapping processes and resources and improve productivity.

The department will establish the overall structure that allows the sharing, distributing and cost effective electronic processing of authorized information. This effort will increase the productivity of State workers in their efforts to serve their customers, and better utilize taxpayer dollars.

Trade and Commerce

The newly-established Trade and Commerce Agency evidences the commitment of the Governor and the California Legislature to place a primary focus on job creation development activities in this State. This new agency was created out of the recognition that California, as the eighth largest economy in the world, must aggressively fight to stay competitive and redouble our economic development efforts on both the domestic and international fronts.

Revitalizing the Business Climate

As California continues to face the consequences of an uncertain economy, the State's role in establishing a favorable business climate has become critically important. The creation of the Trade and Commerce Agency consolidates many of the State's economic development functions and will lead to a coordinated economic development strategy in California. This streamlining will result in improved efficiency and greater effectiveness for job-creating economic development in the State.

Consisting of all the previous functions, duties, activities, and programs of the Department of Commerce, Overseas Offices, and the California World Trade Commission, this Agency serves as the lead in promoting business development and job creation and job retention efforts in California. In pursuing its mission to improve California's economic climate, the Agency works closely with domestic and international businesses of all sizes, economic development corporations, chambers of commerce, regional visitor and convention bureaus and the various permit-issuing State and municipal government agencies.

Serving as the Administration's main agency in developing and overseeing international trade policy and marketing programs, the Trade and Commerce Agency will be responsible and accountable for coordinating export functions that have traditionally resided in other agencies, such as the Energy Export Program, Food and Agriculture Export Program and the Environmental Technology Export Initiative. This new Agency combines the State's foreign trade, export and investment functions into one coordinated entity with a focused mission for both inbound and outbound business development.

The Governor's Budget proposes expenditures of \$48.2 million for the Trade and Commerce Agency in 1993-94,

including an augmentation of \$1,156,000 to fully fund the Agency's support costs. The Agency's programs and activities to encourage increased business development, tourism, and foreign investment and trade are described below.

Economic Development. The Agency's business development efforts are driven by and delivered through the four field offices—Los Angeles, San Diego, San Jose, and Sacramento. The 1992 Budget Act provided resources to strengthen the business attraction and retention efforts of these offices. As Agency field offices, the services offered will not only focus on assisting business through one-to-one problem solving, working with companies in expanding their California operations, and encouraging non-California companies to locate here but also include various technical and administrative services to California business interested in trading with foreign markets.

Recognizing that high-value manufacturing jobs are key to a balanced economy, the Agency has placed a special focus on the retention and attraction of environmentally conscious manufacturers. The State works closely with our local economic development counterparts to augment its efforts. Working with communities and our economic development partners in responding to business needs multiplies the impact of the Agency's limited staff resources in retaining and attracting business in this State.

A number of specialized services oriented to the needs of small business are an important component of the business development programs offered by the Agency. The Small Business Development Center Program is the only statewide effort that provides comprehensive one-stop management and technical assistance to small businesses. This program is administered through the 24 small business development centers throughout California.

A special small business program, the Business Environmental Assistance Center (BEAC), is California's resource and referral clearinghouse of environmental information and basic assistance for small business owners. The center provides direct services such as compliance and applied technology counseling, including energy conservation retrofit, workshops and conferences, information on financial assistance, a database listing available consultants, and business development

tracking. Currently the State's only BEAC is located in Anaheim; however, the 1992 Budget Act provided limited resources to establish a yet-to-be-sited Northern California BEAC.

Continuing the State's focus on the needs of small business is the Small Business Help-Line operated by the Office of Small Business. This help-line provides resource information on available technical and financial assistance for small business start-ups and expansions. The topics range from information on federal and State programs, regulatory and tax concerns, toxics, and general small business management, financial and technical assistance.

Another critical element of this State's small business assistance program is the loan programs administered by the Office of Small Business. The Small Business Loan Guarantee Program, operated through eight small business development corporations, provides loan guarantees to banks and other financial institutions so that small business and small agricultural enterprises may obtain much-needed credit. This same program also provides bonding assistance to women and minority contractors. Other low-interest loan programs administered by the Office of Small Business relate to energy conservation improvements, hazardous waste reduction, replacement or retrofitting of underground storage tanks, and the purchase of air pollution control equipment.

The Office of Small Business also administers a disaster relief program for small businesses affected by disasters as declared by the Governor. This past year financial assistance in the form of loan guarantees was made available to businesses affected by the Dunsmuir spill, Oakland Hills fire, Humboldt earthquake, and the Los Angeles civil unrest.

Among the Agency's business development efforts are the activities of the Office of Local Development. This Office provides direct technical assistance to communities in their effort to develop and implement business retention and expansion programs. Additionally, the Office works with other State and federal agencies to promote economic diversification in rural areas with economies traditionally dependent on timber or other resource-based industries and in communities impacted by base closures or other major job losses. The State's successful Main Street and Enterprise Zone programs are administered by this Office.

The Office of Competitive Technology was created to assist California businesses as they face increasingly competitive global markets that are often driven by technological innovation. The purpose of this program is to create and maintain jobs by helping to commercialize technical discoveries made in California universities and public laboratories. This program is one of the few State efforts positioned to assist companies with the challenges presented by the federal defense downsizing.

Recognizing the importance of retaining and attracting film and video production activities, and the associated jobs in California, the Agency's California Film Commission works to encourage and support the continued development of the film industry in this State.

Tourism. California's tourism industry has long been a strong contributor to the State's economy. Over the past ten years, travel-related expenditures within California and tourism employment have more than doubled. However, while these figures are impressive, there are disturbing signs that California's position as the largest tourism state is eroding. Recent research documents indicate that California's share of tourism is declining. Although total travel spending has been increasing, the lost market share translates into the fact that California is losing billions in travel spending and hundreds of millions in tax revenues to other destinations each year and experiencing a loss in tourism employment. The California Office of Tourism attributes reduced market share to: increased competition, insufficient promotional funding to counter the marketing activities of competing destinations, and the negative impact of natural and civil disasters upon traveler intentions to visit California.

To counter these negative conditions, the Office of Tourism coordinates successful promotional programs which have helped restore visitor interest in traveling to California in the aftermath of natural and civil disasters, works with industry and community leaders to provide increased opportunities for minority and disadvantaged citizens to benefit from tourism, and has begun advertising, after not doing so for several years, in key Western U.S. markets through a leveraging of its budget with cooperative marketing programs.

The California Office of Tourism also conducts economic research to aid state and local governments and business interests, produces maps, brochures and magazines to aid travelers and the travel trade, responds to public and trade requests for tourism information, encourages consumer and trade media to publish and broadcast travel stories about California, promotes travel to rural areas of California, meets with travel agents, tour operators and tour wholesalers to inform them about how best to sell California travel, and encourages their expanded use and promotion of travel to and through California. This program has been credited by the State's travel industry as being responsive, effective and efficiently managed.

International Trade and Investment. The Agency's International Trade and Investment functions are comprised of the California World Trade Commission, the Overseas Offices, and the Office of Foreign Investment. Under the new Trade and Commerce Agency these foreign trade and investment functions will be coordinated under one entity. This consolidation will streamline and enhance these various programs' efforts, particularly for outbound sales missions, export promotion, and industry targeting.

The California State World Trade Commission (CSWTC) operations are guided by a private-sector board of commissioners. The Commission performs various functions, including the research and analysis of foreign commerce, the nature of doing business in foreign market places, methods of stimulating reverse investment, international tourism, and governmental incentives and disincentives for world trade opportunities in California. The Commission's Export Finance Office promotes small and medium-sized businesses by providing export finance insurance, co-insurance and loan guarantees, and by providing technical assistance and information on the financial components of an export transaction.

The five foreign offices, previously under the Governor's Office, were established after a feasibility study was

concluded by Mentor International in 1985. The Tokyo and London offices were opened in 1987, the Mexico City and Frankfurt offices in 1989, and the Hong Kong office in 1990. The offices have a broad mandate to promote California exports and attract foreign investment to the State. The foreign offices' inclusion in the new agency will lead to increased coordination and focus in both trade and investment programs.

The Office of Foreign Investment complements the Overseas Offices in facilitating direct foreign investment in California. The Office, whose mission is to promote job creation and revenue-generating investment in California by encouraging foreign firms to locate or to expand their operations in California, is an essential element of the Administration's economic development program.

Natural Resources

The Resources Agency

The Resources Agency oversees and coordinates the activities and administration of 15 State departments, boards, commissions, and conservancies. In general, it is responsible for the State's activities relating to the preservation, management and enhancement of California's natural and cultural resources, including land, wildlife, water, and minerals.

In addition to the oversight and management of its constituent departments and their traditional programs and services, the Agency develops and guides the administration of a wide variety of policy initiatives and programs that transcend the usual jurisdictional lines of authority of the departments.

These programs include many of the 14 components of "Resourceful California," the unprecedented conservation agenda announced by the Governor in April 1991. The elements of "Resourceful California" include the Natural Communities Conservation Planning (NCCP) program, forestry reform, a resources bond initiative, the Administration's wetlands policy, and others—all of which are detailed below.

Water Policy. A major policy responsibility for the Agency is the development and oversight of the Governor's water policy. The Secretary serves as the Chairman of the Governor's Water Policy Council. It was in that capacity that the Secretary headed the policy development process that led to the announcement in April 1992 by the Governor of the State's first comprehensive State water policy in a quarter century. Elements of the water policy include short- and long-term approaches to "fixing" San Francisco Bay/Sacramento-San Joaquin Delta estuary; the proposed transfer of the Central Valley Project to the State; conservation; establishment of a permanent water marketing system; and protecting and restoring fish and wildlife resources. The water policy was designed to bring urban, agricultural, and environmental sectors together to arrive at consensus solutions. The Agency coordinates closely with the Departments of Water Resources and Fish and Game in pursuing the water policy.

Biological Diversity. The Agency has pioneered the State's new commitment to conservation grounded in biological diversity. This new approach to resource management recognizes that in order for future efforts at

conservation to be successful, they must be based on broad ecosystems, or "bioregions." The Secretary of Resources serves as the Chairman of the Executive Council on Biological Diversity, a panel created in 1991 by the Agency, the University of California, and nine other State and federal land management agencies, including the Departments of Fish and Game, Forestry and Fire Protection, and Parks and Recreation, and the State Lands Commission. The Memorandum of Agreement that created the council is the first such cooperative effort between State and federal governments to work together in conserving biodiversity across administrative boundaries and on a regional basis. The council's objective is to bring California's varied resources management programs together in ways that assure the long-term sustainability of our rich natural heritage and our economy. It seeks to foster voluntary regional and local action and has recently been expanded to include representatives of seven county organizations.

It is in conjunction with the council and other efforts to encourage planning for biodiversity that the Agency organized the Sierra Summit process—which released its report in June 1992—and has helped create and implement the NCCP program.

As a part of Resourceful California, the Resources Agency is working with the Department of Fish and Game, the Wildlife Conservation Board, the Tahoe Conservancy, the State Coastal Conservancy and other State entities to develop a comprehensive wetlands conservation plan to achieve no net loss of existing wetlands in the short-term and an increase in wetlands in the long-term.

In 1992, the Resources Agency, with support from the U.S. EPA, continued to develop the wetlands conservation plan. The Agency has supported the work of the California Wetlands Consensus—a private group comprised of individuals representing agricultural business, development, environmental, and local governmental interests. The plan, which is due in 1993, will address the State's involvement in regulation, acquisition, restoration and management of wetlands.

In addition, the Agency has begun development of the California Ocean Resources Management Program. Despite the fact that the State possesses one of the nation's most progressive coastal zone management programs, there is no comprehensive plan or program

for managing all of its ocean resources. The purpose of the program is to develop a comprehensive plan to manage the ocean and marine resources within 200 miles of California's coast. Responsibility for managing the program was transferred from the California Environmental Protection Agency to the Resources Agency by the Legislature in 1991.

The 1993-94 Governor's Budget proposes total expenditures of almost \$2 billion for Resources Agency departments' State operations and local assistance programs. These expenditures are summarized in Figure 13-A.

Delta Protection Commission

The Delta Protection Act of 1992 (Chapter 898, Statutes of 1992) makes legislative findings that the Sacramento-San Joaquin Delta is a natural resource of statewide, national and international significance, and establishes State policy to recognize, preserve and protect Delta resources. The Act creates a new Delta Protection Commission, comprised of 13 local and 6 State government officials, which must prepare and adopt a "comprehensive long-term resources management plan" for land uses within the Sacramento-San Joaquin Delta by July 1, 1994. Local governments must thereafter conform their general plans and development permit decisions to the requirements of this plan. The first meeting of the commission will be held in January 1993. The commission will be funded with a \$250,000 appropriation from the California Environmental License Plate Fund.

Department of Fish and Game

The Department of Fish and Game is charged with the administration and enforcement of the State Fish and Game Code and managing more than 500,000 acres of wildlife habitat, including 80 wildlife areas and 67 ecological reserves. The objectives of the department are to maintain all species of fish and wildlife for their natural and ecological values, to provide for varied recreational use of fish and wildlife and to provide economic contribution of fish and wildlife to the State. The 1993-94 Governor's Budget proposes \$159.3 million for the department's State operations and local assistance programs.

Wildlife Management and Natural Heritage. The department is responsible for the daily management of the Natural Communities Conservation Planning (NCCP) program, a major component of Resourceful

California. This unprecedented effort, which is being applied on a pilot basis on the Coastal Sage Scrub habitat in Southern California, is an effort to anticipate situations in which a listing under the State and Federal Endangered Species Acts (ESA) might occur and to move species protection efforts to a multi-, rather than single-, species approach. It is a program of national importance, particularly given the many controversies surrounding the ESA. Based on an appreciation of biological diversity and ecosystem planning, the NCCP program is designed to preserve native animal and plant species and their habitat in amounts large enough to ensure their continued existence while accommodating compatible economic development.

Environmental Services. This program seeks to prevent or lessen adverse impacts on wildlife and habitat from projects affecting land, water and water quality. During 1991-92, the Environmental Services Division reviewed, investigated and processed more than 13,500 documents regarding projects which would affect land, water and water quality.

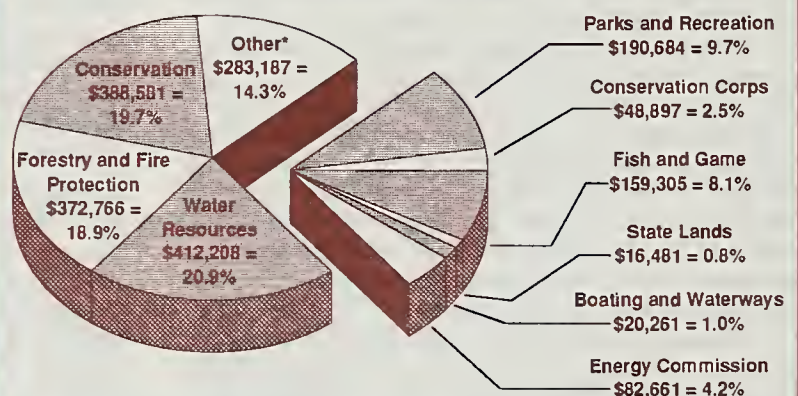
Wildlife Conservation Board

The 1993-94 Governor's Budget proposes \$23.4 million for State operations, local assistance and capital outlay programs of the Wildlife Conservation Board.

Figure 13-A

Natural Resources Proposed 1993-94 Expenditures All Funds

(Dollars in Thousands)



*Other includes: Agency Secretary, Coastal Commission, Coastal Conservancy, Colorado River Board, Delta Protection Commission, Santa Monica Mountains Conservancy, S.F. Bay Conservation and Development Commission, Seismic Safety Commission, Special Resources, Tahoe Conservancy, Wildlife Conservation Board, Mandated Costs and General Obligation Bonds.

Riparian Habitat Conservation. Designed to conserve and save essential habitat areas along the State's rivers and streams, the Riparian Habitat Conservation Program was established under legislation in 1991. In 1992, work began on the necessary first step in the implementation of the program, a thorough assessment of the riparian areas that remain in the State.

An example of program activities is the acquisition by the Wildlife Conservation Board of 145 acres at the headwaters of the Santa Margarita River in San Diego County. The first project approved by the Board, this action represents the acquisition of a key parcel of a regional ecological reserve.

Department of Parks and Recreation

The Department of Parks and Recreation is charged with providing for the health, inspiration and education of the people of California by preserving the state's most valued natural and cultural resources and by providing opportunities for high-quality recreational experiences. The parks, beaches, recreation areas, and historic sites that make up the California State Park System amount to 1.3 million acres. The 1993–94 Governor's Budget proposes \$190.7 million for the operation and maintenance of the State park system.

An Economic Resource. As the steward of California's most precious natural, historic, and cultural resources, the department is a major contributor to the tourist industry of the State. Park visitation and related spending generates \$60–70 million in sales tax revenues for the State, while General Fund support for park operations has fallen to \$46 million. With increased fees adopted to offset General Fund reductions, visitation has stabilized at approximately 75 million visits per year. Visitors to State parks spend approximately \$1 billion per year on lodging, food and other retail goods outside of the parks system.

Departmental Reorganization. In 1991–92, the department instituted a major administrative reorganization for the purposes of increasing managerial efficiencies, reducing costs, and enhancing the delivery of high quality services. The reorganization resulted in a reduction of management and supervisory staff by 20 percent and in total permanent staff by 10 percent. These reductions, primarily through attrition, provided permanent budgetary savings that helped prevent the closure of any park units.

Components of the reorganization include: identification of overlapping layers of administration; elimination of functions less directly tied to the delivery of public services; and consolidation of offices at three department levels. For example, 49 district offices were reduced to 22 district offices and all regional offices were eliminated. These steps, along with a redirection of responsibility and authority, resulted not only in budget efficiencies, but operational efficiencies as well.

State Register of Historic Places. In April 1992, the Governor issued Executive Order W-26-92, authorizing systematic protection of historic and cultural resources owned by the State. As the State suffered a series of devastating natural disasters during the year, this order became an important preservation tool for the department's Office of Historic Preservation. In September 1992, the Governor signed into law AB 2881, which established California's first Register of Historical Resources. The department will be responsible for the development and implementation of this program, which is a component of Resourceful California.

Department of Forestry and Fire Protection

The Department of Forestry and Fire Protection fulfills the State's responsibility to provide fire protection and suppression for approximately 36 million acres of privately owned wildlands and administers local government fire protection under contract. The department also regulates logging practices on private forestland, provides advisory assistance on forest management to landowners, administers urban forestry grants, regulates controlled burning of brush lands, and manages eight State demonstration forests and three State nurseries. The 1993–94 Governor's Budget proposes \$372.8 million for the department's State operations and local assistance programs.

Reform of Forestry Practices. A central component of Resourceful California is the enactment of State law to provide for long-term sustainable forestry to guarantee both protection for California's extraordinary forests and the economic viability of the timber industry.

Regrettably, in 1992, the Legislature failed to approve the Governor's "Grand Accord." This comprehensive legislative package, which was backed by an unprecedented coalition of industry and environmental organization representatives, included provisions to promote sustainable, saw-timber harvesting; protection of healthy watersheds, fisheries and wildlife; limits on clear cutting; protection of old growth forests; and the diversity of plant and animal species.

In the absence of legislative reform, the Governor directed the Board of Forestry to take regulatory action to implement as many elements of the Grand Accord as possible. In October, the board agreed to a series of strong regulations that significantly increase both protections to forests and the timber industry's ability to plan. These regulations include reductions in allowable maximum clear cuts from 120 acres to 20–40 acres, provision for incentives for landowners to write long-term plans that promote sustainable harvesting, and protections for sensitive watersheds and water supplies. When given final administrative approval, these regulations will take effect early in 1993.

Enhanced Forest Fire Protection. In 1992, the large number and the severity of the wild and forest fires that plagued the State served to underline the importance and the challenge of providing adequate fire protection to rural areas throughout California. Despite the heroic response and performance of the Department of Forestry and Fire Protection in fighting these fires, the need for improved delivery and financing of fire protection services was made more evident through the year.

The first component of this task is examining the State's current fire protection services. Working with the Resources Agency, the department has begun its regular, five-year reassessment of the State Fire Plan, and it will be concluded in early 1993. The department has also created a Task Force to examine specifically the funding issues involved in statewide fire protection. Its recommendations are also due in 1993. The department and the Agency are also working with the Department of Consumer Services and the State Fire Marshal to reevaluate how the fire functions within State government can be more effectively organized and carried out.

The second aspect of this plan is the reform of the current system of financing State fire protection and possibly increasing local participation. The department is studying the impacts of local land-use decisions that entail an obligation on the State to provide forest fire protection. These recommendations are due in early 1993.

Department of Water Resources

The responsibility of the Department of Water Resources is to protect, conserve, develop, and manage California's water for many uses, including agriculture, industry, municipal use, and fish and wildlife. The department is the operator of the State Water Project, which consists of 22 dams and reservoirs, 181 power and pumping plants, and over 640 miles of aqueduct. The department also manages the State's Water Bank, purchasing water from districts or agencies with surplus water in storage and from farmers or districts that can replace their surface supply by pumping groundwater.

The department has been extensively involved in virtually all aspects of the Governor's water policy. The Director of Water Resources is a member of the Water Policy Council, as well as a co-negotiator with the Agency Secretary of the Memorandum of Agreement on the transfer of the Central Valley Project and the integration of its operation with those of the State Water Project. The department will play a major role in implementing the interim water quality standards for the San Francisco Bay/Sacramento-San Joaquin Delta ordered by the State Water Resources Control Board, as directed under the Governor's water policy. Among the aspects affecting the State Water Project are those requiring conservation measures and environmental restoration.

Recent enactment by the U.S. Congress of the Central Valley Project Improvement Act (H.R. 429) imposes new

fish and wildlife mitigation requirements on the Central Valley Project. In addition, new fish and wildlife mitigation requirements are anticipated to be imposed on all users of water from the Central Valley watershed, including the Central Valley Project, the State Water Project and other municipal and agricultural users. In order to determine appropriate and effective fish and wildlife mitigation measures to meet the objectives of State Water Resources Control Board requirements and H.R. 429, certain planning activities and studies will have to be conducted by the Department of Fish and Game and the Department of Water Resources. The two departments are in the process of reviewing the requirements for these activities.

The Governor's Budget for 1993-94 proposes \$412 million for the department's State operations and local assistance programs, and \$690 million for the department's capital outlay programs.

California Conservation Corps

The California Conservation Corps (CCC) carries out a dual mission: the conservation and development of the State's natural resources and the employment and development of young men and women. In matching up youth and the environment, the CCC provides substantial benefits to both.

As a result of comprehensive restructuring and reorganization, increased revenue from project reimbursements, and new funding sources, the CCC will hire more young people during 1992-93 than the previous fiscal year, despite significant General Fund budget reductions.

The department's innovative restructuring allowed it to:

- Increase the number of corpsmembers, from 1,746 to 1,800, including support for young people in the nine California local conservation corps.
- Reduce the General Fund cost per corpsmember from \$19,864 to \$15,035. Reliance on the General Fund dropped from 70 percent to 53 percent.

The 1993-94 Governor's Budget proposes \$48.9 million for the CCC's State operations program.

Department of Boating and Waterways

The objectives and responsibilities of the Department of Boating and Waterways include the development and improvement of boating facilities throughout the State, the safety of persons and property connected with the operation of vessels on State water, beach erosion projects, providing funding for the construction of boating facilities in the State park system and State Water Project reservoirs, and the licensing of yacht and ship brokers and for-hire vessel operators.

The 1993-94 Governor's Budget proposes to transfer \$26.1 million from the Harbors and Watercraft Revolving Fund to the General Fund. In addition, \$11 million of

Motor Vehicle Fuel Account funds, which normally would have been transferred to the Harbors and Watercraft Revolving Fund, are instead proposed for transfer to the State Parks and Recreation Fund.

California Coastal Commission

The California Coastal Commission implements the State's coastal management program pursuant to the California Coastal Act of 1976 and the Federal Coastal Zone Management Act of 1972. An autonomous body, the commission regulates development in the coastal zone of the State.

In 1992, the Governor significantly enhanced the authority of the commission by augmenting the commission's budget and signing legislation that grants the commission the authority to issue cease and desist orders. The Governor also signed into law measures to increase penalties for violators of the Coastal Act and allow the commission to order restoration of coastal resources, and to provide for tougher ethics requirements for commissioners. The combined impact of these bills and others is a substantial strengthening of the commission's ability to carry out its mission.

The 1993-94 Governor's Budget proposes \$9 million for the Commission's State operations program.

General Government

Employee Compensation

The State currently spends approximately \$13.1 billion annually to fund the salaries, wages, and benefits of over 262,000* positions. Of this amount, \$4.3 billion funds approximately 87,000 higher education positions, and the remaining \$8.8 billion funds the salaries, wages and benefits of approximately 175,000 civil service positions.

The following information addresses the employee compensation provided for State civil service employees. Information regarding higher education employee compensation is discussed in the higher education portion of the Governor's Budget Summary.

Retirement and Health Benefits. Salaries and wages are only part of the total employee compensation package. The State pays substantial portions of retirement and health benefits costs for its employees. For example, the State will pay approximately \$2 billion in 1993-94 for retirement, health, dental, vision, and Social Security benefits for active employees; and an additional \$330 million for health and dental benefits for retired annuitants. Table 14-1 depicts the State's contribution for these benefits in the years 1984-85 through 1993-94.

Retirement contributions have varied from year to year, but have remained fairly stable over the past nine years, largely as a result of increasing yields on investment of the retirement fund. The Public Employees' Retirement System (PERS) Board of Administration determines the retirement rates paid by State employers. The rates set by the board are based on actuarial estimates of present income required to pay the cost of all benefits payable in the future. There are three sources of income to the retirement fund: employee contributions, which are a fixed percentage of payroll (about 6 percent on average) and vary with the number of employees and their retirement categories; yield on investment, which varies with the success of investment decisions; and State employer contributions, which make up the difference between the amount needed and the amount received from employees and investment income.

In contrast, health, dental, and vision care benefits for active employees have become increasingly costly over the past nine years, more than doubling during this period, from \$373 million in 1984-85 to \$821 million in 1993-94. Social Security payments also have risen steadily, as both the rate and the proportion of salary to which the rate is applied have increased.

Table 14-1
Fringe Benefits for Active and Retired State Employees
(Dollars in Millions)

	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93 (Estimated)	1993-94 (Proposed)
<i>Actives</i>										
Retirement	836	914	882	891	767	871	689	935	850	850
Health benefits	293	302	325	363	424	522	635	687	709	710
Dental/vision	80	79	83	87	91	96	100	105	111	111
Social Security	226	238	250	262	275	289	303	319	334	351
Subtotals, Actives	1,435	1,533	1,540	1,603	1,557	1,778	1,727	2,046	2,004	2,022
<i>Retirees</i>										
Health/dental benefits for annuitants	103	108	116	133	156	191	228	267	298	330
Totals	1,538	1,641	1,656	1,736	1,713	1,969	1,955	2,313	2,302	2,352

Sources: Public Employees' Retirement System, State Controller's Office payroll records, and Governor's Budgets.

* All personnel year numbers exclude legislators, legislative staff and State Compensation Insurance Fund employees.

Similarly, health and dental benefits for annuitants, the State's contribution for medical care for its retirees, which does not include vision care, has more than tripled from \$103 million in 1984–85 to \$330 million in 1993–94, with increases averaging \$25 million per year.

In addition to the cost spiral in health benefits, the State also faces a pressing problem in one of its retirement programs. The latest actuarial valuation of the Judges' Retirement System (JRS) reveals that the unfunded liability of the system is approximately \$1.6 billion. Current law requires the system to be "fully funded and actuarially sound" by January 1, 2002. The State has only eight years after 1993–94 to meet this requirement, which will be very expensive to the General Fund.

The JRS provides retirement benefits for justices of the State Supreme and appellate courts, and justices of local superior, municipal, and justice courts on a "pay-as-you-go" basis. This means that the State picks up the difference between revenues coming in and benefit payments going out. There is no "pre-payment" funding typical of the other State retirement systems, which can build up and earn interest that can be used to offset costs.

In 1984–85, the State had to contribute an additional \$10.2 million to pay benefits. By 1993–94, the State will pay \$52.2 million for this purpose, a five-fold increase. The annual rate of increase in the gap is approximately 30 percent.

Current Compensation Package. Since the advent of collective bargaining for State employees in the early 1980s, the terms and conditions of employment for represented civil service employees have been established through the collective bargaining process. Presently, there are twenty-one collective bargaining units. Compensation for non-represented employees is established by the Department of Personnel Administration which represents the Governor on all employer-employee issues.

The State has entered into a three-year collective bargaining agreement with twenty of the twenty-one employee groups effective July 1, 1992 through June 30, 1995. In recognition of the State's fiscal imbalance, State employees are participating in salary reduction programs as well as paying a greater share of their health, dental and vision benefit premium costs. For example, under the personal leave program (PLP), employees will forego one day of salary per month in exchange for an additional day of vacation for an eighteen-month period. This is estimated to save over \$340 million (\$169 million General Fund) in salaries over the eighteen-month PLP program period.

The collective bargaining agreements also provide that State employees will receive a five-percent general salary increase effective January 1, 1994. The Governor's

Budget includes \$234 million (\$134 million General Fund) to comply with those collective bargaining agreements.

A similar employee compensation package has been authorized for non-represented employees.

State Infrastructure

Proposed 1993–94 expenditures for the Capital Outlay Program are \$943.4 million. The funding for this program is derived from a number of sources including: General Obligation (G.O.) Bonds (54.1 percent), Lease Revenue Bonds (31 percent), special funds (13.5 percent) and the remainder from other funds (1.4 percent).

The funds that can be used to address infrastructure needs have remained fairly constant from the current year. The 1993–94 Governor's Budget continues to emphasize the growth needs of the higher education program and the prison construction program as well as provide sufficient resources to meet continuing commitments in other departments and programs. Capital Outlay funding for 1993–94 is shown by agency in Figure 14-A which provides a display of the various fund sources used to finance the capital outlay projects.

As in previous years the Department of Finance will be publishing a ten year report on the capital outlay and infrastructure needs of the state. While the identified need of state programs has not changed significantly from the 1992 report, changes in the economy and the structural changes that will be effecting state government will certainly have a significant impact on the state's ability to address the range of needs that have been identified. Other considerations that will effect the State's program are the willingness of the electorate to authorize general obligation bonds to fund such a program and the assumption that voters will approve a constitutional amendment to authorize local voters to approve bond issues on a majority vote. In addition, other traditional fund sources that have been used to meet these needs are declining as a means to fund the identified need. However, improved planning along with favorable bidding climate may assist in ameliorating some of these other factors. For example, pursuant to Senate Concurrent Resolution 39, the Department of General Services completed a Strategic Facilities Plan for Sacramento. This plan similar to the San Francisco/Oakland State Facilities Plan completed in May 1992, along with the upcoming Los Angeles Basin Plan and other future regional plans, will guide the future management of the State's Office space needs in terms of ownership versus leasing. Paramount in this trend will be the consolidation of state activities. This planned approach to occupying leased and owned space should save the State millions of dollars in future years. Capital Outlay funding for 1993–94 is shown by agency in Table 14-2.

Figure 14-A

**Capital Outlay Program
Funding Sources
(Dollars in Millions)**

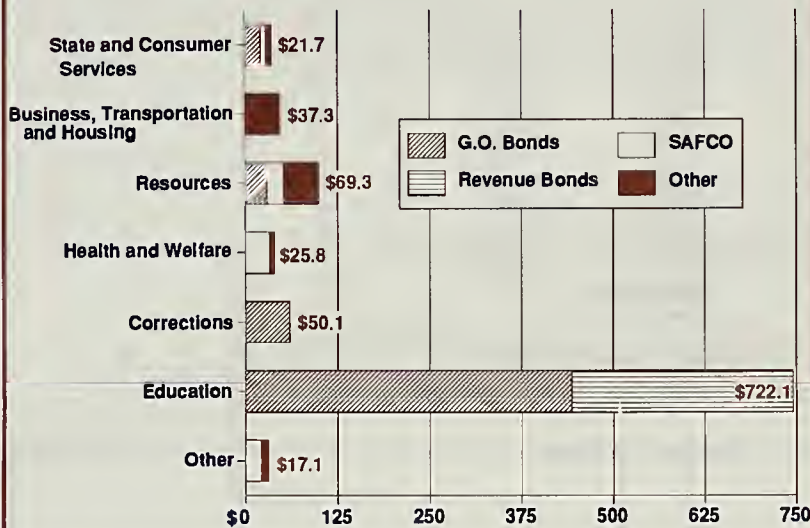


Table 14-2

**Capital Outlay Program
(Dollars in Thousands)**

<i>Agency</i>	<i>1993-94</i>
Legislative, Judicial and Executive	\$3,771
State and Consumer Services	21,671
Business, Transportation and Housing	37,264
Resources	69,361
Health and Welfare	25,791
Youth and Adult Correctional	50,128
Higher Education	722,109
General Government	13,340
Total	\$943,435

Highlights of the 1993-94 Capital Outlay program are as follows:

- \$50.1 million to renovate the state's existing prison facilities which includes security and safety improvements and modifications to accommodate overcrowd-

ing (\$39.1 million) and to upgrade youth detention facilities to accommodate population increases (\$11 million).

- \$7.1 million in the Department of Forestry and Fire Protection for facility improvement and replacement of old and worn out fire stations, helitack and air attack bases, and other emergency response facilities for fire protection.
- \$21.7 million for acquisition and development of state park lands.
- \$15.7 million in the Department of Mental Health to complete renovation of patient living areas at Patton State Hospital and other projects at Atascadero, Metropolitan and Napa State Hospitals.
- \$7.1 million in the Department of Water Resources to protect levees on the Sacramento River and continuation of the federal flood control project.
- \$722.1 million for Higher Education to renovate and modernize existing facilities and construct new facilities to meet increases in enrollment growth. Included are seismic safety renovations and efforts aimed at meeting local air quality requirements.
- \$21.7 million is proposed for critical fire/life safety projects in the Departments of General Services and Veterans Affairs.

Bonds

Bond financing is a form of long-term borrowing under which the state raises money by issuing financial securities to investors, such as voter-approved General Obligation Bonds or legislatively-approved lease-revenue bonds.

General Obligation. General Obligation Bonds are used to finance a wide variety of projects benefiting the public, including schools, prisons,

highways, rail transit, parks and water treatment facilities. (For specific information on bond expenditures see the various expenditure areas.)

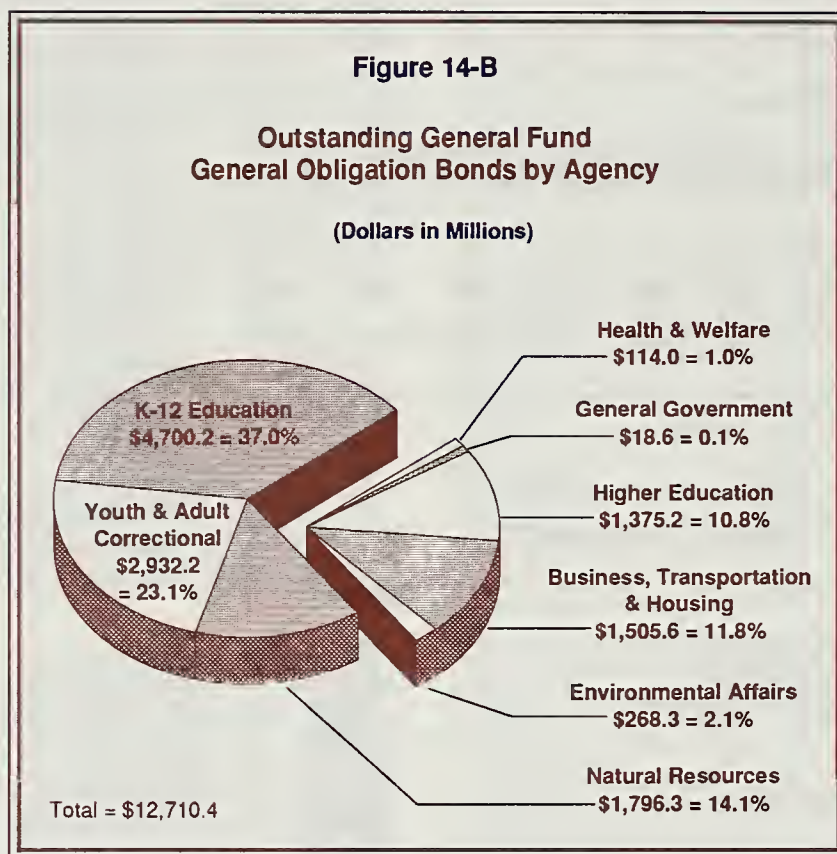
The State currently owes \$12.7 billion in principle on authorized General Fund General Obligation Bonds. Figure 14-B reflects outstanding bonds by Agency. The

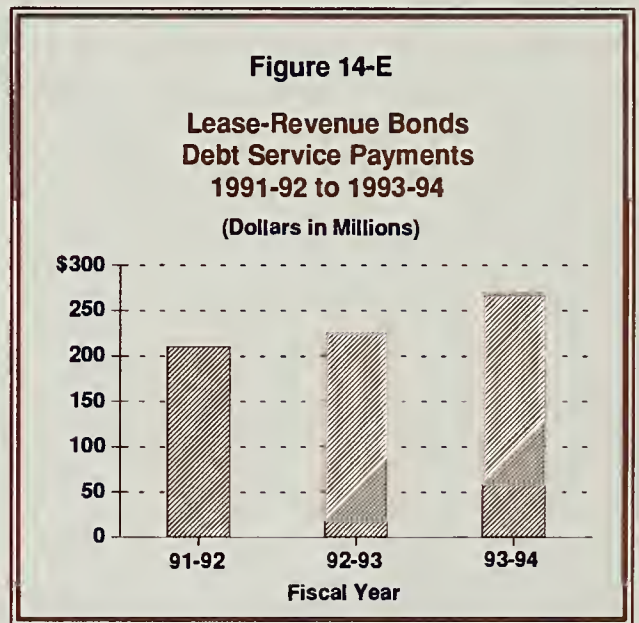
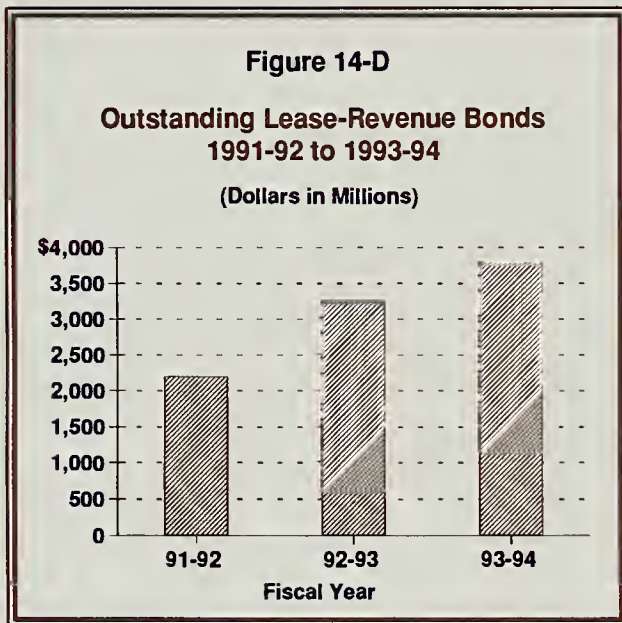
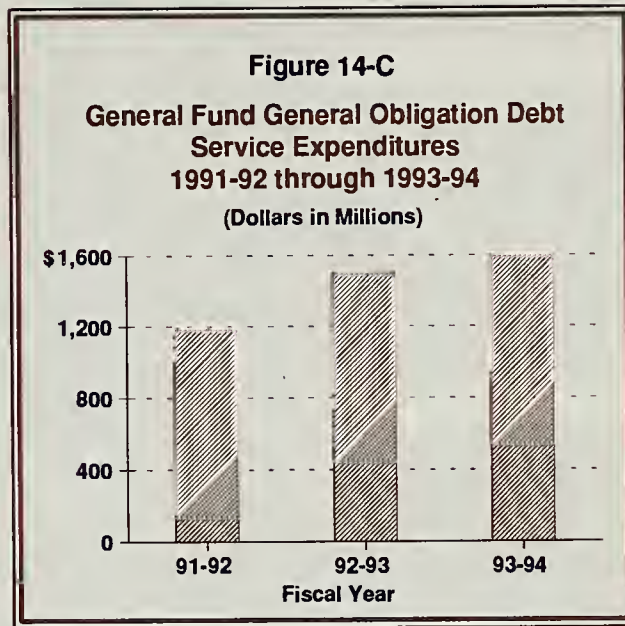
cost to the State's General Fund for the payment of interest and redemption on these bonds was \$1.19 billion in 1991-92, and is estimated to be \$1.5 billion in 1992-93 and \$1.6 billion in 1993-94. (See Figure 14-C.)

Lease-Revenue. In recent years, the State has increased the use of Lease-Revenue notes or bonds to supplement the General Obligation Bond program. The lease purchase method of financing projects is used primarily for higher education facilities, state prison construction and for general purpose office buildings. The 1993-94 proposed Governor's Budget assumes the continued use of Lease-Revenue bonds for construction

projects to augment the General Obligation bond program and to fulfill high priority capacity related and vital infrastructure needs.

Outstanding Lease-Revenue Bonds totaled \$2.195 billion for 1991-92, and are estimated to total \$3.242 billion for 1992-93 and \$3.790 billion for 1993-94. (See Figure 14-D.) The cost to the State's General Fund for the payment of interest and redemption on all Lease-Revenue Bonds was \$210 million in 1991-92, and is estimated to be \$227 million for 1992-93 and \$268 million for 1993-94. (See Figure 14-E.)







Appendix

Budgetary Process

The Governor's Budget is the result of a process which begins more than one year before the budget becomes law. When presented to the Legislature on January 10 of each year, the Governor's Budget incorporates revenue and expenditure estimates based upon the most current information available through late December. In the event that the Governor wants to change the budget presented to the Legislature, including adjustments resulting from changes in population, caseload or enrollment estimates, the Department of Finance proposes adjustments to the Legislature during budget hearings through Finance Letters. During late spring, usually May and June, the Department of Finance submits revised expenditure and revenue estimates for both the current and budget years to the Legislature. This update process is referred to as the May Revision. The Department of Finance also prepares updates on revenues and expenditures at interim points of the fiscal year. Listed below are the key documents used in the budget process.

Title	Purpose	Prepared/Issued By	When
Budget Letters and Management Memos	Convey Administration guidelines for budget preparation to agencies and departments.	Governor/Department of Finance	April through December
Budget Change Proposals	Proposes and documents budget changes to maintain the existing level of service or to change the level of service.	Agencies and departments submit to Department of Finance for analysis	July through September
Governor's Budget	Governor proposes budget for the upcoming fiscal year.	Governor/Department of Finance	January 10
Governor's Budget Summary	A summary of the Governor's Budget.	Governor/Department of Finance	January 10
Budget Bill	Requests spending authorization to carry out Governor's expenditure plan (Legislative budget decision document.)	Department of Finance/Legislature	January 10
Budget Analysis	Analysis of the budget, including recommendations for changes to the Governor's Budget.	Legislative Analyst	February
May Revision of General Fund Revenues and Expenditures	Update of General Fund revenues, expenditures and reserve estimates based on the latest economic forecast.	Department of Finance	Mid-May
Budget Act	The primary annual expenditure authorization as approved by the Governor and Legislature, including a listing of Governor's vetoes.	Legislature/Governor	Late June
Supplemental Report of the Committee on Conference on the Budget Bill	Contains language on statements of intent and requests for information or studies.	Legislative Analyst	Early July
Final Budget Summary	Update of the individual Budget Act items with changes by the Governor's vetoes, including summary budget schedules.	Department of Finance	Mid-July
Final Change Book	Update of the changes to the detailed fiscal information in Governor's Budget in accordance with the Budget Act.	Department of Finance	Late July
General Fund Update and Financial Legislation Report	Update of revenue and expenditure estimates, including financial legislation.	Department of Finance	November/December

Glossary of Budget Terms

The following budgetary terms are used frequently throughout the Governor's Budget, the Governor's Budget Summary and the annual Budget (Appropriations) Bill. Definitions are provided for terminology which is common to all activities. For definitions of terms peculiar to a specific program area, please refer to the individual budget presentation of interest.

The definitions of other budget-related terms may be found in the State Administrative Manual and in the annual Budget Bill.

Administration Program:

An accounting for departmental central management costs. These include such costs as the Director's Office, Legal Office, Personnel Office, Accounting and Business Services functions that generally serve the whole department.

"Administration-distributed" represents those costs which are more properly distributed to the program activities of a department as indirect costs.

Allocation:

A distribution of funds, or an expenditure limit established for an organization unit.

Allotment:

A part of an appropriation, to be expended for a particular purpose during a specified time period. An allotment is generally authorized on a line-item expenditure basis.

Appropriation:

An authorization from a specific fund to a specific agency to make expenditures/incur obligations for a specified purpose and period of time. The Budget Act contains many appropriations, or items. These appropriation items are limited to one year, unless otherwise specified. Appropriations are made by the Legislature in the annual Budget Act and in other legislation. Continuous appropriations can be provided for by legislation or the California Constitution.

Appropriations Limit:

As defined in Section 8 of Article XIIIB of the California Constitution, enacted by the passage of Proposition 4 at the November 6, 1979 general election, the growth in the level of certain appropriations from tax proceeds are generally limited to the level of the prior year's appropriation limit

as adjusted for changes in cost of living and population. Other adjustments may be made for such reasons as the transfer of services from one government entity to another.

Augmentation:

An increase in an allotment. A control section of the Budget Act authorizes the increase in expenditures for a program, category, or project by transfer from any other program, category, or project within the same schedule. A separate section of the Budget Act authorizes the augmentation of scheduled amounts from other departments, and from the federal government to the extent such funds have not been taken into consideration in the appropriation schedules. Both control sections require the reporting of specified augmentations to the chairperson of the committee in each house which considers appropriations and to the Chairperson of the Joint Legislative Budget Committee.

Authorized Positions:

Those ongoing positions approved in the final budget of the preceding year less positions abolished because of continued, extended vacancy. The detail of authorized positions by classification is published in the Salaries and Wages Supplement for each agency. Changes in authorized positions are either listed following each department's budget presentation in the Governor's Budget or as supplemental schedules to the Budget. (See Proposed New Positions.)

Balance Available:

Amount available for appropriation or encumbrance. It is the excess of cash and near-cash assets of a fund over its liabilities and reserves; or commonly called surplus available for appropriation. It is also the unobligated balance of an appropriation which may be encumbered for the purposes of the specific appropriation.

Baseline Budget:

A baseline budget reflects the anticipated costs of carrying out the current level of service or activities as authorized by the Legislature. It includes an adjustment for cost increases, but does not include changes in level of service over that authorized by the Legislature.

Budget, Program/Traditional:

A plan of operation for a specific period of time expressed in financial terms. A *program budget* expresses the operating plan in terms of the costs of activities to be undertaken to achieve specific goals and objectives. A *traditional budget* expresses the plan in terms of the costs of the goods or services to be used to perform specific functions.

The Governor's Budget is primarily a program budget. However, a summary of proposed expenditures for goods and services (Summary by Object) is included for State Operations, Local Assistance and Capital Outlay for each department, as well.

Budget Bill/Act:

The Budget Bill is prepared by the Department of Finance and is submitted to the Legislature in January accompanying the Governor's Budget. The Budget Bill is the Governor's proposal for spending authorization for the subsequent fiscal year for on-going programs authorized by the Legislature. The Constitution requires the Legislature to pass the Budget Bill and send it by June 15 each year to the Governor for signature. After signature by the Governor, the Budget Bill becomes the Budget Act.

Budget Change Proposal (BCP):

A proposal to change the level of service or funding sources for activities authorized by the Legislature, or to propose new program activities not currently authorized.

Budget Year (BY):

The next fiscal year beginning July 1 and ending June 30 for which the Governor's Budget is submitted. The year following the current fiscal year.

Capital Outlay:

Expenditures which result in the acquisition of or addition to major fixed assets (e.g., land, buildings and equipment related to construction).

Carryover Appropriations:

Appropriations with balances available for expenditure in years subsequent to the year of enactment.

Category:

A grouping of related objects of expenditure (goods or services). Such groupings are primarily Personal Services, Operating Expenses and Equipment, and Special Items of Expense.

Category Transfer:

A control section of the Budget Act provides that the Department of Finance is authorized to augment any category by transfer from any other category within the same appropriation item schedule.

Augmentations of personal services and operating expenses and equipment categories generally cannot exceed, in the aggregate, 20 percent of the amount scheduled. Lower limits exist for support appropriations which exceed \$2,000,000. (See Category.)

Changes in Authorized Positions:

A schedule either included in each budget presentation in the Governor's Budget or as a supplemental schedule to the Budget which reflects personnel staffing changes made subsequent to the adoption of the current year budget (transfers, positions established and reclassifications). It also includes proposed new positions for the budget year.

Character of Expenditure:

A classification of expenditures. (See State Operations, Local Assistance or Capital Outlay.)

Codes, Uniform:

A set of codes, used in all major fiscal systems of California State government, which has been established to identify organizations, programs, funds, appropriation structures, receipts and line-item objects of expenditure. The Uniform Codes Manual, published by the Department of Finance, lists all such uniform codes. (See Section 1.50 of the Budget Act for an explanation of the codes used for Budget Act appropriation items.)

Continuous Appropriation:

Amount, actual or estimated, available each year under a permanent constitutional or statutory expenditure authorization which is automatically renewed each year without further legislative action. The amount available may be a specific, recurring sum each year; all or a specified portion of the proceeds of specified revenues which have been dedicated permanently to a certain purpose; or it may be whatever amount is required for the purpose as determined by formula—such as school apportionments.

Control Sections, Budget Act:

The Budget Act is divided into sections. Section 1.00 establishes a citation for the legislation. Section 1.50 provides a description of the format of the act. Section 2.00 contains the itemized appropriations for support of the State of California.

Sections 4.00 through 36.00 are general sections, also referred to as control sections, which place additional restrictions on one or more of the itemized appropriations contained in Section 2.00.

Cost-of-Living Adjustments (COLAs).

Statutory/Discretionary:

Increases provided in state-funded programs which include periodic adjustments predetermined in state law (statutory), e.g., K-12 education apportionments; and adjustments which may be established at optional levels (discretionary) by the Legislature each year, e.g., Urban Impact Aid.

Current Year (CY):

The fiscal year beginning July 1 and ending June 30. The time period we are in now.

Encumbrance:

A limitation or reserve placed on an appropriation to pay for goods or services which have been ordered by means of contracts, salary commitments, etc., but not yet received.

Expenditure:

Generally, this term designates the amount of an appropriation used for goods and services ordered and received whether paid or unpaid, including expenses, provisions for debt retirement not reported as a liability of the fund from which retired, and capital outlays where the accounts are kept on an accrual basis or a modified accrual basis. Where the accounts are kept on a cash basis, the term designates only actual cash disbursements.

Federal Funds:

In state budget usage, this term describes all funds received directly from an agency of the federal government but not those received through another state department. State departments must initially deposit such federal funds in the Federal Trust Fund, a fund in the State Treasury.

Final Budget:

The final budget is the Governor's Budget as amended by action taken on the Budget Bill. A Final Change Book is published by the Department of Finance after enactment of the Budget Act to reflect the changes made by the Legislature in their review of the Budget Bill and by the Governor by power of item veto. It includes a detailed list of changes by item number.

Finance Letters:

Proposals made by the Director of Finance to the chairpersons of the committees in each house which consider appropriations to amend the

Budget Bill and Governor's Budget from that submitted January 10 to reflect a revised plan of expenditure for the Budget Year.

Fiscal Year (FY):

A 12-month state accounting period which varies from the calendar year and the federal fiscal year. In California State government, the fiscal year runs from July 1 through the following June 30. It is the period during which obligations are incurred, encumbrances are made and appropriations are expended. The Governor's Budget presents three years of detailed fiscal data for the past, current and budget years.

The state fiscal year is often referenced by the first calendar year of the fiscal year, e.g., "'90" or "'1990" means the 1990-91 fiscal year. By contrast, the federal 1990-91 fiscal year is often referenced as "'91" or "'1991," and lasts from October 1 through September 30.

Fund Balance:

Excess of the assets of a fund over its liabilities and reserves. (See Balance Available, Special Fund for Economic Uncertainties and Surplus.)

Fund Condition Statement:

A statement either included in the Governor's Budget or as a supplemental schedule to the Budget for each special fund, special accounts in the General Fund, selected bond funds and Governmental Cost funds to disclose the fund assets, liabilities, reserves and surplus.

Funds:

A legal entity that provides for the segregation of moneys or other resources in the State Treasury for specific activities or obligations in accordance with specific restrictions or limitations. A separate set of accounts must be maintained for each fund to show its assets, liabilities, reserves and surplus (fund balance), as well as its income and expenditures. The assets of a fund may also be placed into separate accounts to provide for limitations on specified fund income or expenditures. (See "Description of Fund Classifications in State Treasury.")

General Fund:

The General Fund is the predominant fund for financing State operations. It is used to account for revenues which are not specifically designated to be accounted for by any other fund. The primary sources of revenue for the General Fund are the personal income tax, sales tax and bank and corporation taxes. A complete itemization of the revenue sources are listed in Schedule 8. The General Fund is used as the major funding source

for education (K–12 and higher education), health and welfare programs, youth and adult correctional programs and tax relief. Schedule 9 provides a listing of expenditures for the General Fund.

Item:

(See Appropriation.)

Governmental Cost Funds:

(See Special Funds.)

Limited-Term Positions:

A limited-term position is any position which has been authorized for a specific length of time with a set termination date. Limited-term positions may be authorized during the budget enactment process or in transactions approved by the Department of Finance.

Line Item:

(See Objects.)

Local Assistance:

Expenditures made for the support of local government activities.

Local Mandates:

(See State-Mandated Local Program.)

Merit Salary Adjustment:

A cost factor resulting from the periodic increase in salaries paid to personnel occupying authorized positions. Personnel generally receive a salary adjustment of 5 percent per year to recognize proficiency in the work performed up to the upper salary limit of the work classification.

Minor Capital Outlay:

Minor Capital Outlay consists of construction projects or equipment acquired to complete a construction project estimated to cost less than \$250,000.

Objects (line items):

A subclassification of expenditures based on type of goods or services. For example, the Personal Services category includes the objects of Salaries and Wages and Staff Benefits. These may be further subdivided into line items as State Employees' Retirement, Workers' Compensation, etc. Objects do not reflect a function or purpose to be served by the expenditure. A Summary by Object is provided for each department's budget in the Governor's Budget for State Operations, Local Assistance and Capital Outlay expenditures. The Department of Finance publishes a Uniform Codes Manual which reflects the standard line-item objects of expenditure.

Past Year (PY):

The fiscal year just completed. (See Fiscal Year.)

Personnel Years:

The actual or estimated portion of a position expended for the performance of work. For example, a full-time position which was filled by an employee for half of a year would result in an expenditure of 0.5 personnel years.

Positions:

(See Authorized Positions.)

Programs:

The activities of an organization grouped on the basis of common objectives. Programs are comprised of elements, which can be further divided into components and tasks (the lowest defined program activity).

Proposed New Positions:

A request for an authorization to expend funds for the employment of additional people for the performance of work. Proposed new positions may be for limited-time periods (limited term) and for full or less than full-time. Proposed new positions may be for an authorization sufficient to employ one person, or for a sum of funds (blanket) from which several people may be employed.

Reappropriation:

The extension of the availability of an appropriation for expenditure beyond its set termination date and/or for a new purpose. Reappropriations are usually authorized by the Legislature for one year extensions at a time.

Receipts:

Describes an increase in the assets of a fund including revenues as well as transfers from other funds, federal receipts and fund reimbursements.

Reconciliation With Appropriations:

A statement in each budget presentation which sets forth the source and amount of appropriations, by fund, available to the department and the disposition of such appropriated funds. Statements are presented by fund for each character of expenditure, i.e., State Operations, Local Assistance and Capital Outlay.

Reimbursements:

Amount received as a repayment of the cost of work, or service performed, or of other expenditures made for or on behalf of another governmental unit or department. Reimbursements represent the recovery of an expenditure.

Reimbursements are available for expenditure in accordance with the budgeted amount (scheduled in an appropriation).

Reserve:

An amount set aside in a fund balance to provide for expenditures from the unencumbered balances of continuing appropriations, economic uncertainties, future apportionments, pending salary or price increase appropriations and appropriations for capital outlay projects.

Revenue:

The addition to cash or other current assets of governmental funds (receipts) which do not increase any liability or reserve and do not represent the recovery of an expenditure, i.e., reimbursements. Generally, revenue is derived from taxes, licenses and fees or investment earnings.

Reversion:

The return of the unused portion of an appropriation to the fund from which the appropriation was made. The undisbursed portion of an appropriation reverts two years (four years for federal funds) after the last day of availability for encumbrance. The Budget Act often provides for the reversion of unused portions of appropriations when such reversion is to be made prior to the statutory limit.

Salary Savings:

Salary savings reflects personnel cost savings resulting from vacancies and downward reclassifications as a result of turnover of employees. The amount of budgeted salary savings is an estimate generally based on past year experience.

Special Fund for Economic Uncertainties:

Statutes and the control sections of the Budget Act provide for the establishment of a Special Fund for Economic Uncertainties and a reserve in each special fund to provide for emergency situations. The appropriation of such funds from the reserves are not subject to the appropriation limits imposed on other appropriations. (See Appropriations Limit.)

Special Funds:

Special funds is a generic term used for "governmental cost funds" other than the General Fund. Governmental cost funds generally are commonly defined as those funds used to account for revenues from taxes, licenses and fees where the use of such revenues is restricted by law for particular functions or activities of government. Examples of special funds are the transportation funds, fish and game funds and the professions and vocations

funds. Revenues, expenditures and the condition of special funds are summarized in Schedules 8, 9 and 10.

Staff Benefits:

The staff benefits object represents the state costs of contributions for employees' retirement, OASDI, health and welfare benefits, workers' compensation, unemployment insurance, industrial disability leave benefits and nonindustrial disability leave benefits.

State-Mandated Local Program:

State reimbursements to local governments for the cost of activities required by legislative and executive acts. This requirement was established by Chapter 1406, Statutes of 1972 (SB 90) and further ratified by the adoption of Proposition 4 (a constitutional amendment) at the November 6, 1979 general election. (See Governor's Budget: 8885 Commission on State Mandates.)

State Operations:

Expenditures for the support of State government, exclusive of capital investments and expenditures for local government activities.

Summary by Object:

A summary of actual past year and estimated current and budget year expenditures for goods and services for each organization presented for State Operations, Capital Outlay and Local Assistance expenditures.

Summary of Program Requirements:

At the front of each departmental budget is a Summary of Program Requirements. It presents the various departmental programs by title, dollar totals, personnel-years, and source of funds for the past, current and budget years.

Summary Schedules:

The Governor's Budget includes schedules which summarize state revenues, expenditures and other fiscal and personnel data for the past, current and budget years. (See Schedules 1-13.)

Tax Expenditures:

Subsidies provided through the taxation systems.

Transfers:

As reflected in fund condition statements, transfers reflect the movement of resources from one fund to another based on statutory authorization or specific legislative transfer appropriation authority.

Description of Key Schedules

The Budget includes summary information in various schedules. The following schedules are those which may be the most useful for the public, private sector, or other levels of government.

SCHEDULE 1. *General Budget Summary*—Provides for a summary of total statewide revenues and expenditures for the General Fund and Special funds plus expenditure totals for the Selected Bond funds.

SCHEDULE 2. *Total State Spending Plan*—Provides in a single schedule the State's total spending plan. In addition to the General Fund, Special funds, and Selected Bond funds, expenditures from Nongovernmental Cost funds and Federal funds are shown.

SCHEDULE 3A. *Total State Spending Plan by Generally Accepted Accounting Principles (GAAP) Fund Classifications*—Provides in a single schedule the State's Total Spending Plan (Schedule 2) rearranged into GAAP Fund Classifications.

SCHEDULE 3B. *Comparison of California's Current Fund Structure to Recommended GAAP Fund Classifications*—Provides a comparison of California's Current Fund Structure to recommended GAAP Fund Classifications.

SCHEDULE 4A. *Personnel Years and Salary Cost Estimates*—Provides personnel year data and corresponding dollar amounts by functional breakdown and position classifications. This schedule reflects net data after salary savings.

SCHEDULE 4B. *Positions and Salary Cost Estimates*—Provides position and personnel year data and corresponding dollar amounts by functional breakdown. This schedule reflects both gross data before salary savings and net totals salaries and wages.

SCHEDULE 5. *Summary of State Population, Employees, and Expenditures*—Provides historical data of State population, employees and expenditures.

SCHEDULE 6. *General Fund— Analysis of Change in Reserves*— Provides a comparison of the General Fund amounts presented in the previous Governor's Budget to the amounts presented in this Governor's Budget.

SCHEDULE 7. *General Fund: Statement of Financial Condition*—Provides the financial condition of the General Fund as of June 30 from the most recently available information from the State Controller.

SCHEDULE 8. *Comparative Statement of Revenues*—Provides General Fund and Special fund revenue detailed amounts within three main breakdowns of: (1) major taxes and licenses, (2) other revenues, and (3) transfers.

SCHEDULE 9. *Comparative Statement of Expenditures*—Provides a listing of expenditures in the order of printing of individual budgets from the General Fund, Special funds, selected Bond funds and Federal funds for State Operations, Local Assistance and Capital Outlay.

SCHEDULE 9A. *Proposition 98 General Fund Guarantee*—Provides a listing of appropriations for Education programs for grades K–14 and other state agencies providing direct elementary and secondary level instructional services which are subject to Proposition 98 passed by the electorate in November of 1988.

SCHEDULE 10. *Summary of Fund Condition Statements*—Provides for the General Fund and each Special fund the beginning reserve, income, expenditures, transfers, and ending reserve for each of the three fiscal years displayed in the Governor's Budget.

SCHEDULE 11. *Statement of Cash and Securities*—Provides a listing of cash, securities and amounts due from the Surplus Money Investment Fund for all funds maintained in the State Treasury.

SCHEDULE 12. *Statement of Bonded Debt*—Provides a listing of all general obligation bonds including maturity dates, authorized amount of bond issues, unsold issues, redemptions and outstanding issues.

SCHEDULE 13A. *State Appropriations Limit Summary*—Provides a summary of Schedules 13B through 13E and calculates the State Appropriations Limit (SAL), total SAL Appropriations and the Appropriation Limit Room or Surplus.

SCHEDULE 13B. *Revenues to Excluded Funds*—Provides a listing of revenues to special funds that are not included in the calculation of total appropriations subject to the State Appropriations Limit.

SCHEDULE 13C. *Non-tax Revenues in Funds Subject to Limit*—Provides a total of non-tax revenues for General and Special funds deposited in funds that are included in the calculation of total appropriations subject to the State Appropriations Limit.

SCHEDULE 13D. *Transfers from Excluded Funds to Included Funds*—Provides a listing of transfers between funds that are included in calculating the appropriations subject to the State Appropriations Limit.

SCHEDULE 13E. *Expenditures Excluded from Limit by Agency*—Provides a distribution of actual gross appropriations that are excluded from appropriations subject to the State Appropriations Limit.

Description of Fund Classifications in the State Treasury

Revenues and expenditures in the program budget and the summary schedules reflect the activities of many separate funds. Schedules 10 and 11 provide a complete list of these funds. The Index lists those funds for which Fund Conditions are included in the budget and references the page number. General Fund and Special Fund expenditures represent the cost of government and are included in budget totals, and along with selected Bond Funds, are included in the overall expenditure totals. In 1981-82 the State of California began to change classification of funds in the state treasury to conform to Generally Accepted Accounting Principles as set forth by the National Council on Governmental Accounting. Schedule 3 includes a description of these changes and shows their effect on the budget totals.

General Fund. Used to account for all revenues and activities financed therefrom which are not required by law to be accounted by any other fund. Most state expenditures are financed from the General Fund. Normally, the only difference between the General Fund and the other governmental costs funds is the restriction placed on the use of the other governmental cost funds.

Special Funds. Consists of governmental cost funds used to account for taxes and revenues which are restricted by law for particular functions or activities of government. The funds included in these classifications are primarily for the regulation of businesses, professions and vocations; transportation; law enforcement; and capital outlay.

General Fund Special Accounts. Legislatively created accounts or dedicated revenues within the General Fund. Moneys credited to such accounts may be used only for the purposes specified in the legislation. As a result of Chapter 942, Statutes of 1977, these special accounts are treated as special funds and revenues and expenditures are included in the special funds totals in the summary schedules of the budget. They are therefore excluded from the General Fund unrestricted revenues, expenditures and reserves.

Selected Bond Funds

Selected bond funds are General Obligation Bond funds which are non-self liquidating. Included in the overall expenditures totals of Schedules 1 and 9 for budget purposes are expenditures from the selected bond funds. The following page provides a complete listing of all selected bond funds.

Other Funds. See Schedule 11 for a list of funds which do not represent a cost of government. Expenditures from these funds are not included in the budget totals. They consist of moneys which were derived from sources other than general or special taxes, licenses, fees or other state revenues. Included are receipts from the Federal Government, funds created for accounting purposes, receipts from sale of lands, or moneys held in trust. These funds are segregated into the following classifications:

Working Capital and Revolving Funds. Funds created to finance internal service activities rendered by a state agency to other state agencies or to local governments for which charges are made at cost. The charges are reflected as expenditures in the budget of the agency receiving the commodity or service.

Public Service Enterprise Funds. Self supporting activities operated by the State for the benefit of the public. Funds are derived from charges to those who use the service and no support is derived from taxes, licenses or other state revenues.

Bond Funds. Used to account for the receipt and disbursement of proceeds from the sale of bonds and to finance projects for which the bonds were authorized. Expenditures are considered a cost of government at the time interest payments are made and as the bonds are redeemed.

Retirement Funds. Moneys held in trust by the State for retirement benefit payments.

Trust and Agency Funds. Funds holding moneys in trust pending disbursements to trustors, moneys received from the Federal Government to be expended for specific purposes, and other funds which do not derive their sources from taxes or other state revenues, or are in the nature of transitory funds created for the convenience of accounting receipts or disbursements which are not necessarily revenues or expenditures.

<i>Fund No.</i>	<i>Fund Name</i>	<i>Fund No.</i>	<i>Fund Name</i>
732	Beach, Park, Recreational and Historical Facilities Fund of 1964, State	781	New Prison Construction Revenue Fund
733	Beach, Park, Recreational and Historical Facilities Fund of 1974, State	762	Oil Spill Bond Expense Account, Oil Spill Prevention and Administration Fund
743	Bond Proceeds Account, State School Building Lease-Purchase Fund	712	Park, Recreation and Wildlife Enhancement Acquisition, Development, Rehabilitation and Restoration Program of 1990
703	Clean Air and Transportation Improvement Fund	721	Parkland Fund of 1980
740	Clean Water Bond Fund of 1984, State	722	Parkland Fund of 1984
734	Clean Water Fund, State	756	Passenger Rail Bond Fund of 1990
737	Clean Water and Water Conservation Fund, State	751	Prison Construction Bond Fund of 1990
764	Clean Water and Water Reclamation Fund of 1988	724	Prison Construction Fund of 1984
730	Coastal Conservancy Fund of 1984, State	746	Prison Construction Fund of 1986
716	Community Parklands Fund	747	Prison Construction Fund of 1988
736	Construction Program Fund, State	760	Prison Construction Fund, November 1990
711	County Correctional Facility Capital Expenditure Fund of 1986	766	Prison Construction Fund of 1992
796	County Correctional Facility Capital Expenditure and Youth Facility Bond Fund of 1988	728	Recreation and Fish and Wildlife Enhancement Fund
725	County Jail Capital Expenditure Fund, Bond Act of 1981	749	Refunding Escrow Fund
727	County Jail Capital Expenditure Fund, Bond Act of 1984	700	Resources Bond Act of 1990
788	Earthquake Safety and Housing Rehabilitation Bond Account, Housing Rehabilitation Loan Fund, California	707	Safe Drinking Water Fund, California
768	Earthquake Safety and Public Building Rehabilitation Fund of 1990	793	Safe Drinking Water Fund of 1988, California
772	Emergency Correctional Facility Bond Act	789	School Facilities June 1988 Bond Account, State School Building Lease-Purchase Fund
748	Fish and Wildlife Habitat Enhancement Fund	776	School Facilities November 1988 Bond Account, State School Building Lease-Purchase Fund
755	Flood Control Bond Fund	774	School Facilities June 1990 Bond Account, State School Building Lease-Purchase Fund
701	Flood Control Bond Act of 1992	708	School Facilities November 1990 Bond Account, State School Building Lease-Purchase Fund
710	Hazardous Substance Cleanup Fund	745	School Facilities Bond Act, June 1992
718	Health Science Facilities Construction Program Fund	465	School Facilities Bond Act, November 1992
782	Higher Education Capital Outlay Bond Fund	719	School Finance Authority Fund, California
785	Higher Education Capital Outlay Bond Fund of 1988	729	Senior Center Bond Act Fund
791	Higher Education Capital Outlay Bond Fund, June 1990	715	SSC Development Fund
792	Higher Education Capital Outlay Bond Fund, November 1990	742	Urban and Coastal Park Fund, State
705	Higher Education Capital Outlay Bond Fund of 1992	790	Water Conservation Fund of 1988
714	Home Building and Rehabilitation Fund	744	Water Conservation and Water Quality Bond Fund of 1986
720	Lake Tahoe Acquisition Fund	709	Wildland Protection, Improvement and Modernization Bond Fund, California
794	Library Construction and Renovation Fund, California	786	Wildlife, Coastal and Park Land Conservation Fund of 1988, California
723	New Prison Construction Fund	787	Wildlife and Natural Areas Conservation Fund (subfund of 786)

Schedule 1
GENERAL BUDGET SUMMARY ^a
(In thousands)

<i>1991-92 ^b</i>	<i>Reference to Schedule</i>	<i>General Fund</i>	<i>Special Funds</i>	<i>Budget Expenditure Totals</i>	<i>Selected Bond Fund Expenditures</i>	<i>Expenditure Totals Including Bonds</i>
Prior year resources available.....	10	—\$919,610	\$1,568,883			
Revenues and transfers.....	8	42,026,493	11,090,844			
Expenditures.....	9	43,326,985	11,192,573	\$54,519,558	\$1,760,470	\$56,280,028
Fund Balance ^f	7	—\$2,220,102	\$1,467,154			
<i>Reserve for Proposition 98 (Unspent Appropriations and Settle Up) ^d</i>						
		332,000	—			
<i>Special Fund for Economic Uncertainties ^e</i>						
		—	—			
<i>Reserves for Economic Uncertainties ^e</i>						
		—2,962,461	1,467,154			
<i>Reserve for Liquidation of Encumbrances ^e</i>						
		410,359	—			
<i>1992-93</i>						
Prior year resources available.....	7	—\$2,220,102	\$1,467,154			
Revenues and transfers.....	8	40,941,628	11,492,940			
Expenditures.....	9	40,821,871	11,854,472	\$52,676,343	\$4,813,389	\$57,489,732
Fund Balance ^f	10	—\$2,100,345	\$1,105,622			
<i>Special Fund for Economic Uncertainties ^e</i>						
		—2,510,704	—			
<i>Reserves for Economic Uncertainties ^e</i>						
		—	1,105,622			
<i>Reserve for Liquidation of Encumbrances ^e</i>						
		410,359	—			
<i>1993-94</i>						
Prior year resources available.....	10	—\$2,100,345	\$1,105,622			
Revenues and transfers.....	8	39,874,570	12,100,854			
Expenditures	9	37,333,038	12,357,981	\$49,691,019	\$1,470,348	\$51,161,367
Fund Balance ^f	10	\$441,187	\$848,495			
<i>Special Fund for Economic Uncertainties ^e</i>						
		30,828	—			
<i>Reserves for Economic Uncertainties ^e</i>						
		—	848,495			
<i>Reserve for Liquidation of Encumbrances ^e</i>						
		410,359	—			

^a The General Budget Summary includes the revenues and expenditures of all state funds that reflect the cost of State government and selected bond fund expenditures. The transactions involving other nongovernmental cost funds are excluded. The amounts included in this schedule for expenditures and revenues may not agree with those shown in Schedules 8, 9 and 10 due to rounding.

^b Due to lack of time for complete reconciliation to the State Controller's preliminary fiscal data for their annual report, the amounts reflected in the 1991-92 fiscal year do not agree with the data which will be included in the State Controller's Annual Report.

^c The Special Fund for Economic Uncertainties and the Reserves for Economic Uncertainties provide sources of funds to meet State General Fund and Special Funds obligations in the event of a decline in revenues or an unanticipated increase in expenditures.

^d The Reserve for Proposition 98 represents the amounts which were not spent from appropriations available to meet the State's obligation to conform to Proposition 98.

^e The Reserve for Liquidation of Encumbrances represents an amount which will be expended in the future for state obligations for which goods and services have not been received. This Reserve treatment is consistent with accounting methodology recommended by Generally Accepted Accounting Principles (GAAP) and Chapter 1286, Statutes of 1984 (AB 3372) which requires the State to conform its fiscal management system to GAAP.

^f The Fund Balance for the General Fund includes amounts for unencumbered balances of continuing appropriations at the end of the 1991-92, 1992-93 and 1993-94 fiscal years of \$127,135, \$116,192,292 and \$10,408 (in thousands) respectively.

Schedule 2

TOTAL STATE SPENDING PLAN

This Schedule is included for informational purposes to show in one place the expenditures of all funds which are accounted for by the State.

A basic premise in a consolidation such as this is that the State is the financial unit and individual funds are subsidiary units to the State. This is similar to financial units in the private sector in which diversified commercial corporations with several subsidiaries report their operation on a consolidated basis—but is a contrast to traditional governmental accounting, which has held that the individual funds are the financial units and should not be consolidated with other funds or types of funds. A total consolidation presents both theoretical and practical problems because of the individual nature of each fund. In essence, each fund is a separate fiscal and legal entity that operates under the specific legal provisions that created it. Examples of problems which may arise from an unqualified consolidation are (1) funds are accounted for in a different manner, (2) duplication of expenditures result, (3) expenditures from non-state funds are included, and (4) expenditures are included for quasi-state operations such as Workers' Compensation and for payment of retirement benefits for other governmental units.

In order to minimize misinterpretations, this Schedule is displayed in two parts. Part A summarizes those expenditures from funds traditionally included in budget totals; Part B summarizes expenditures from the other funds which are collectively identified as nongovernmental cost funds. Schedule 2, in either part, does not include reimbursements received from the public or other levels of government, as these are deducted from State expenditures.

Total State Spending Plan—Part A

Governmental Cost, Selected Bond Funds and Federal Funds

As stated above, Part A summarizes expenditures from funds which are traditionally included as part of State expenditure summaries in the Governor's Budget and other State financial reports. The major portion of the expenditures shown in Part A is for the General Fund and the various special funds which are commonly referred to as "governmental cost funds." This term is used because these funds are used to account for moneys which are derived from general and special taxes, licenses, fees or other revenue sources to provide financing for State activities which are for the general purposes of State government.

The selected bond funds are included in Part A because of the historical legislative interest in showing these expenditures in budget totals. It should be noted that there is a duplication in showing these expenditure amounts from bond proceeds because the expenditures are included both when bond proceeds are spent and when debt service is paid.

The Federal funds have also been included in Part A because of increasing interest in the level of the State's expenditure of Federal funds. The detail of expenditures by department for the General Fund, special funds, selected bond funds and Federal funds is shown in Schedule 9.

<i>Funds</i>	<i>1991-92*</i>	<i>1992-93*</i>	<i>1993-94*</i>
Governmental Cost Funds:			
General Fund.....	\$43,326,985	\$40,821,871	\$37,333,038
Special Funds.....	11,192,573	11,854,472	12,357,981
Totals, Governmental Cost Funds.....	\$54,519,558	\$52,676,343	\$49,691,019
Selected Bond Funds	1,760,470	4,813,389	1,470,348
Totals, Governmental Cost Funds and Selected Bond Funds.....	\$56,280,028	\$57,489,732	\$51,161,367
Federal Funds.....	26,722,300	29,050,095	28,816,712
TOTALS.....	\$83,002,328	\$86,539,827	\$79,978,079

Total State Spending Plan—Part B

Nongovernmental Cost Funds

Nongovernmental cost funds are used to account for moneys which are derived from sources other than general or special taxes, licenses, fees or other state revenues. Although Federal funds and bond funds are classified as nongovernmental costs funds, they are included in Part A for reasons cited therein. The nongovernmental cost funds shown in Part B are segregated into the following classifications.

PUBLIC SERVICE ENTERPRISE FUNDS

Public Service Enterprise Funds are used to account for the transactions of self-supporting enterprises which render services for a charge primarily to the general public.

Activities which are accounted through Public Service Enterprise Funds include toll bridges, harbor facilities, disability insurance, college housing, and veterans farm and home loan financing. Bond funds and sinking funds related to a public service enterprise are included in this classification.

Public Service Enterprise Funds differ from Working Capital and Revolving Funds in that, in the latter, fees for services rendered are largely from other State agencies or local governments.

It should be noted that expenditures shown below from the Compensation Insurance Fund do not include benefit payments to State employees because the State is self-funded. The expenditures shown are benefits paid from funding provided through insurance premiums and therefore are not true State costs.

WORKING CAPITAL AND REVOLVING FUNDS

Working Capital and Revolving Funds are used to account for the internal service activities rendered by a State agency to other State agencies or to local governments. Activities which are accounted through Working Capital and Revolving Funds include centralized purchasing for stores, consolidated data center services, printing, architectural services, manufacturing, surplus money investment, payroll disbursement, automotive management, and building operations.

Working Capital and Revolving Funds differ from the Public Service Enterprise Funds, which render services primarily to the general public. To the extent that services are provided to other State agencies, expenditures shown in Working Capital and Revolving Funds are duplicative of expenditures shown in the agencies.

BOND FUNDS

Bond Funds are used to account for the receipt and disbursement of bond proceeds. They do not account for bond retirement since the liability created by the sale of bonds is not a liability of these funds. Bonds are retired and the interest obligations thereon are paid through the provisions specified in the bond act.

Bond Funds related to a public service enterprise are included in the Public Service Enterprise Fund classification.

RETIREMENT FUNDS

Retirement Funds are used to account for employer and member contributions received by various retirement systems, the investment of these moneys, annuity payments, refunds to members, and other receipts and disbursements. The amounts shown below reflect both administrative costs and benefits paid to annuitants. For the Public Employees' Retirement Fund and the Teachers' Retirement Fund, funding includes non-state sources and expenditures therefrom are not true State costs. Also, costs funded from amounts transferred into these funds from other State agencies are duplicative of expenditures shown in the agencies.

OTHER NONGOVERNMENTAL COST FUNDS

For selected programs, the State budget has traditionally included funding provided by county funds and university funds for informational purposes. Because of inclusion in the budget, these expenditures are shown in Schedule 2. The balance of funds shown in this classification are for Trust and Agency Funds which are used to account for moneys and properties that are received from other than Federal sources and which are held and disbursed from the State Treasury by the State as trustee or custodian.

The following provides detail for the significant funds and amounts which comprise the various categories of Nongovernmental Cost Funds:

<i>Funds</i>	<i>1991-92*</i> <i>Amount</i>	<i>1992-93*</i> <i>Amount</i>	<i>1993-94*</i> <i>Amount</i>
PUBLIC SERVICE ENTERPRISE FUNDS:			
Housing Finance Fund, California.....	\$9,691	\$10,308	\$10,564
Water Resources Development Bond Fund	234,187	282,826	319,151
Central Valley Water Project Const Fund	108,179	183,241	191,993
Central Valley Water Project Revenue Fund	180,647	327,428	425,269
Expo and State Fair Enterprise Fund, Cal.....	15,977	20,274	18,206
Compensation Insurance Fund.....	2,052,413	2,282,001	2,510,000
Employment Training Fund.....	129,053	147,163	80,100
Harbors and Watercraft Revolving Fund	44,853	13,745	24,003
High Tech Education Rev Bond Fund, PBCF	31,804	3,825	-
Univ Continuing Education Revenue Ed, St	68,350	62,276	72,261
Univ Dormitory Revenue	53,055	57,338	54,071
Unemployment Compensation Disability Fund.....	2,726,960	2,815,573	2,987,348
Veterans Farm & Home Building Fund 1943	1,073,487	956,558	946,607
Others.....	28,218	28,434	21,164
* TOTALS, PUBLIC SERVICE ENTERPRISE FUNDS	\$6,756,874	\$7,190,990	\$7,660,737
WORKING CAPITAL AND REVOLVING FUNDS:			
Architecture Revolving Fund.....	19,826	20,981	22,128
Health and Welfare Agency Data Cent Rev Fund.....	63,569	70,519	78,295
Mobilehome Manufactured Home Revolv Fd.....	11,806	9,683	12,183
Public Buildings Construction Fund	417,054	789,775	712,991
Service Revolving Fund.....	362,608	339,329	343,616
Stephen P. Teale Data Center Rev Fund.....	72,537	77,655	77,836
Donated Food Revolving Fund	8,785	13,784	14,285
Others.....	-9,058	-12,753	-19,204
* TOTALS, WORKING CAPITAL AND REVOLVING FUNDS.....	\$947,157	\$1,308,973	\$1,242,130
BOND FUNDS—OTHER:			
School Building Aid Fund, State	48,743	46,353	42,167
RETIREMENT FUNDS:			
Judges' Retirement Fund.....	59,094	70,037	80,497
Public Employees' Retirement Fund	2,848,331	3,141,866	3,448,155
Teachers' Retirement Fund.....	2,035,494	2,248,345	2,397,805
Others.....	5,062	5,209	5,106
* TOTALS, RETIREMENT FUNDS	\$4,947,981	\$5,465,457	\$5,931,563
OTHER NONGOVERNMENTAL COST FUNDS:			
Emerg Serv and Supplemental Payments Fund	189,914	120	107
Lottery Education Fund, Calif State	489,420	661,918	662,018
Flexelect Benefit Fund	10,312	10,673	11,276
Public Employees' Health Care Fund	294,551	339,436	375,092
Medi-Cal Inpatient Pymt Adjustment Fund.....	784,900	1,021,706	917,984
University Lottery Education Fund, Cal S.....	27,197	27,197	36,218
Co Medical Svcs Prog Acct, Co Hlth Svc F.....	89,361	95,057	89,621
School Employees Fund	36,462	39,963	36,134
Inmate Welfare Fund	28,699	39,431	39,901
Forest Resources Improvement Fund	4,633	13,280	14,419
Special Deposit Fund	18,293	14,785	14,223
Guaranteed Loan Reserve Fund, State	88,241	25,812	26,414
Local Property Tax Revenues	6,145,879	7,787,869	10,442,930
Toll Bridge Funds, Consolidated.....	54,609	135,340	129,994
Various Other Unallocated NGC Funds.....	166	-1,275	49,986
Higher Education Fees and Income—UC/CC	593,078	803,644	877,079
University Funds—Unclassified.....	3,300,261	3,544,531	3,811,620
Other Unclassified Funds.....	710,484	750,546	392,485
Others.....	34,051	43,586	30,633
* TOTAL OTHER NONGOVERNMENTAL COST FUNDS	\$12,900,511	\$15,353,619	\$17,958,134
TOTAL	\$25,601,266	\$29,365,392	\$32,834,731

* Dollars in thousands

IMPLEMENTATION OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Implementation of Chapter 1286, Statutes of 1984, requires the state to conform its financial management system to Generally Accepted Accounting Principles (GAAP) to the extent that the Department of Finance deems it to be in the best interest of the State.

GAAP represents uniform minimum standards and guidelines for financial accounting and reporting. The goal of GAAP is to standardize the accounting and financial reporting of organizations regardless of jurisdictional legal provisions and customs. The purpose of "Governmental GAAP" is to provide a uniform set of rules so the presentation of governmental financial reports for taxpayers, bond rating companies, legislators and other readers are consistent from year to year, as well as comparable between governmental entities.

The Governmental Accounting Standards Board (GASB) establishes accounting and financial reporting standards for activities and transactions of state and local governmental entities. The State of California currently is a dues-paying member of the GASB organization and provides input for the various issues being studied by GASB.

An effort is currently underway within the Department of Finance to ensure that the budget and financial statements of the state are more understandable and are presented in a fair and consistent manner through the application of Generally Accepted Accounting Principles.

The Department of Finance has taken the following actions to implement GAAP:

1. A work group was established to review the changes required by GAAP and to establish priorities and task assignments.
2. In 1986-87, the Governor's Budget and Budget Act changed the classification of student fees in the California State University System to revenue rather than reimbursements.
3. In 1986-87, the Governor's Budget and Budget Act changed the classification of State Hospital Medical Care receipts to reimbursements rather than revenue.
4. In 1987-88, the Governor's Budget displayed the interest and redemption costs of general obligation bonds in the relevant program area for each bond.
5. The Financial and Performance Audits Unit (FPA) of the Department of Finance has done work on rewriting the sections of the State Administrative Manual covering proprietary funds to bring them into conformance with GAAP.
6. The "Fund Manual" for California has been rewritten to bring it into conformance with GAAP.
7. The 1989-90 Governor's Budget provided for the treatment of General Fund encumbrances as a reservation of fund balance rather than expenditures. This treatment is consistent with the GAAP standard that encumbrances are obligations for which goods and services have not been received and which therefor should not be shown as expenditures.

The State's fiscal system is highly complex with many interrelationships between budgeting and accounting. Consequently, some of the changes in accounting that are necessary to conform to GAAP impact the budget system and/or the Governor's Budget presentations. These interrelationships will result in the GAAP changes being accomplished over a number of years.

The following two charts illustrate the effect of conversion to GAAP fund classifications:

Schedule 3A shows the "Total State Spending Plan" data shown in Schedule 2 rearranged into the GAAP classifications.

Schedule 3B uses 1993-94 budget totals to show California's current fund structure compared to recommended GAAP classifications.

SCHEDULE 3A TOTAL STATE SPENDING PLAN BY GAAP FUND CLASSIFICATION (In Thousands)

<i>GAAP Fund Structure</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>
Governmental Funds			
General Fund.....	\$43,326,985	\$40,821,871	\$37,333,038
Special Revenue Funds.....	25,641,636	27,783,467	29,361,667
Capital Project Funds.....	826,723	3,812,650	870,550
Total Governmental Funds.....	\$69,795,344	\$72,417,988	\$67,565,255
Proprietary Funds			
Enterprise Funds.....	\$4,402,607	\$5,123,361	\$5,403,824
Internal Service Funds.....	514,733	508,628	522,831
Total Proprietary Funds.....	\$4,917,340	\$5,631,989	\$5,926,655
Fiduciary Funds			
Retirement Funds.....	\$4,947,951	\$5,465,233	\$5,931,496
Trust and Agency Funds—Other.....	9,152,217	9,516,073	9,228,819
Trust and Agency Funds—Federal.....	5,064,245	5,867,768	4,287,064
Total Fiduciary Funds.....	\$19,164,413	\$20,849,074	\$19,447,379
Funds Outside State Treasury			
Other.....	\$14,726,497	\$17,006,168	\$19,873,521
TOTAL SPENDING, ALL FUNDS.....	\$108,603,594	\$115,905,219	\$112,812,810

SCHEDULE 3B
COMPARISON OF CALIFORNIA CURRENT
FUND STRUCTURE AND RECOMMENDED GAAP FUND STRUCTURE
USING 1993-94 BUDGET TOTALS
(In Thousands)

FUND STRUCTURE BASED ON GAAP CLASSIFICATIONS

	<i>Governmental Funds</i>				<i>Proprietary Funds</i>		<i>Fiduciary Funds</i>		<i>Funds Outside State Treasury</i>	<i>Totals</i>
	<i>General Fund</i>	<i>Special Revenue Funds</i>	<i>Capital Projects Funds</i>	<i>Total Governmental Funds</i>	<i>Enterprise Funds</i>	<i>Internal Service Funds</i>	<i>Retirement Funds</i>	<i>Trust and Agency Funds</i>		
CURRENT FUND STRUCTURE										
Governmental Cost Funds										
General Fund	\$37,333,038	—	—	\$37,333,038	—	—	—	—	—	\$37,333,038
General Fund Special Accounts	—	\$1,086,204	—	1,086,204	\$45,468	\$21,597	—	\$23,640	—	1,176,909
Transportation Funds	—	3,480,064	—	3,480,064	—	—	—	3,236,960	—	6,717,024
Feeder Funds	—	—	—	—	—	—	—	22,933	—	22,933
Other Governmental Cost Funds	—	4,415,831	\$1,955	4,417,786	—	—	—	23,329	—	4,441,115
Total Governmental Cost Funds	\$37,333,038	\$8,982,099	\$1,955	\$46,317,092	\$45,468	\$21,597	—	\$3,306,862	—	\$49,691,019
Selected Bond Funds	—	—	840,361	840,361	—	—	—	629,987	—	1,470,348
Total Governmental Cost Funds and Selected Bond Funds	\$37,333,038	\$8,982,099	\$842,316	\$47,157,453	\$45,468	\$21,597	—	\$3,936,849	—	\$51,161,367
Nongovernmental Cost Funds										
Public Service Enterprise Funds	—	—	3,821	3,821	4,589,468	—	—	\$3,067,448	—	7,660,737
Working Capital and Revolving Funds	—	12,183	22,203	34,386	727,276	501,234	—	—20,766	—	1,242,130
Bond Funds—Other	—	—	—	—	—	—	—	42,167	—	42,167
Trust and Agency Funds:										
Retirement Funds	—	—	—	—	—	—	\$5,931,496	67	—	5,931,563
Trust and Agency Funds—Federal	—	20,360,221	—	20,360,221	—	—	—	4,287,064	\$4,169,427	28,816,712
Trust and Agency Funds—Other	—	7,164	2,210	9,374	41,612	—	—	2,203,054	—	2,254,040
Other Nongovernmental Cost Funds	—	—	—	—	—	—	—	—	15,704,094	15,704,094
Total Nongovernmental Cost Funds	—	\$20,379,568	\$28,234	\$20,407,802	\$5,358,356	\$501,234	\$5,931,496	\$9,579,034	\$19,873,521	\$61,651,443
TOTAL SPENDING, ALL FUNDS	\$37,333,038	\$29,361,667	\$870,550	\$67,565,255	\$5,403,824	\$522,831	\$5,931,496	\$13,515,883	\$19,873,521	\$112,812,810

SCHEDULE 4A
PERSONNEL YEARS AND SALARY COST ESTIMATES
(Excludes Staff Benefits)
(dollars in thousands)

<i>Function</i>	<i>Positions</i>			<i>Dollars</i>		
	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>
Legislative/Judicial/Executive						
Legislative.....	547.4	593.5	593.5	\$26,911	\$28,256	\$29,711
Judicial.....	978.8	996.6	978.7	60,302	59,069	59,069
Executive.....	9,485.2	10,188.9	10,303.0	381,332	388,747	411,418
State and Consumer Services.....	13,604.6	14,197.2	14,071.2	474,481	474,555	490,080
Business, Transportation and						
Housing.....	39,466.6	40,352.0	40,788.7	1,584,747	1,540,065	1,610,656
Trade and Commerce.....	152.8	183.8	205.3	6,410	7,774	9,024
Resources.....	13,634.3	14,118.3	14,171.3	536,450	532,753	553,175
California Environmental						
Protection Agency.....	3,414.7	4,111.5	4,266.7	146,104	166,331	181,671
Health and Welfare.....	39,012.4	43,332.5	42,118.2	1,420,868	1,471,082	1,490,582
Youth and Adult Correctional						
Agency.....	32,603.0	36,735.0	38,099.3	1,500,385	1,511,224	1,606,676
Education						
Education.....	2,403.6	2,620.9	2,632.5	93,421	98,922	101,503
Higher Education.....	93,011.0	87,484.9	87,559.9	3,762,501	3,544,667	3,541,297
Unallocated Salary Increase.....	-	-	-	-	-	-
General Government						
General Administration.....	13,398.8	13,503.5	13,432.7	464,167	490,926	518,608
Unallocated Salary Increase—						
Other.....	-	-	-	-	-	234,000
NET TOTALS, SALARIES						
AND WAGES.....	261,713.2	268,418.6	269,221.0	\$10,458,079	\$10,314,371	\$10,837,470
<i>Position Classification</i>						
Constitutional Officers.....	125.6	128.0	128.0	8,278	8,601	9,124
Statutory.....	164.8	181.0	181.0	14,223	16,513	16,511
Civil Service.....	166,741.5	178,807.9	179,551.6	6,567,750	6,627,688	6,920,374
Exempt						
Various Departments.....	2,349.4	2,596.8	2,577.2	132,109	145,235	145,600
Higher Education						
University of California.....	57,800.0	54,927.0	54,927.0	2,270,388	2,143,834	2,143,834
State University.....	34,308.2	31,554.8	31,633.1	1,454,341	1,360,379	1,355,476
Hastings College of the Law..	223.7	223.1	223.1	10,990	12,121	12,551
Unallocated Salary Increase...	-	-	-	-	-	-
Unallocated Salary Increase—						
Other.....	-	-	-	-	-	234,000
NET TOTALS, SALARIES						
AND WAGES.....	261,713.2	268,418.6	269,221.0	\$10,458,079	\$10,314,371	\$10,837,470

SCHEDULE 4B
POSITIONS AND SALARY COST ESTIMATES
(Excludes Staff Benefits)
(dollars in thousands)

<i>Function</i>	<i>Positions</i>			<i>Dollars</i>		
	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>	<i>1991-92</i>	<i>1992-93</i>	<i>1993-94</i>
Legislative/Judicial/Executive						
Legislative.....	547.4	594.5	594.5	\$26,911	\$28,713	\$30,178
Judicial.....	978.8	1,087.0	1,068.0	60,302	64,065	64,210
Executive.....	9,485.2	10,741.5	10,783.6	381,332	409,717	430,641
State and Consumer Services.....	13,604.6	14,803.9	14,693.4	474,481	494,905	512,391
Business, Transportation and						
Housing.....	39,466.6	42,382.3	42,811.9	1,584,747	1,627,800	1,707,754
Trade and Commerce.....	152.8	196.6	218.1	6,410	8,332	9,600
Resources.....	13,634.3	14,744.5	14,794.3	536,450	557,326	578,740
California Environmental						
Protection Agency.....	3,414.7	4,357.8	4,487.2	146,104	177,374	192,067
Health and Welfare.....	39,012.4	45,659.6	44,475.1	1,420,868	1,551,293	1,578,100
Youth and Adult Correctional						
Agency.....	32,603.0	37,823.2	39,615.9	1,500,385	1,580,823	1,687,232
Education						
Education.....	2,403.6	2,806.7	2,800.6	93,421	104,300	107,065
Higher Education.....	93,011.0	89,675.2	89,751.0	3,762,501	3,628,342	3,630,138
Unallocated Salary Increase.....	-	-	-	-	-	-
General Government						
General Administration.....	13,398.8	13,902.7	13,872.4	464,167	506,923	537,715
Unallocated Salary Increase—						
Other.....	-	-	-	-	-	234,000
TOTALS, SALARIES AND						
WAGES¹.....	261,713.2	278,775.5	279,966.0	\$10,458,079	\$10,739,913	\$11,299,831
<i>Less Salary Savings.....</i>	<i>-</i>	<i>-10,356.9</i>	<i>-10,745.0</i>	<i>-</i>	<i>-425,542</i>	<i>-462,361</i>
NET TOTALS, SALARIES						
AND WAGES.....	261,713.2	268,418.6	269,221.0	\$10,458,079	\$10,314,371	\$10,837,470

¹ As shown in departmental budgets as "Totals, Salaries and Wages".

SCHEDULE 5
SUMMARY OF STATE POPULATION, EMPLOYEES, AND EXPENDITURES

Year	Population ¹ (Thousands)	Employees	Employees Per 1,000 Population	Personal Income (Billions)	Revenue		Expenditures		Expenditures per Capita		Expenditures per \$100 of Personal Income	
					General Fund	Total	General Fund ²	Total ³	General Fund ²	Total ³	General Fund ²	Total ³
					(Millions)	(Millions)	(Millions)	(Millions)	(Millions)	(Millions)	(Millions)	(Millions)
1950-51.....	10,643	61,000	5.7	\$19.8	\$672	\$994	\$587	\$1,006	\$55.15	\$94.52	\$2.96	\$5.08
1951-52.....	11,130	63,860	5.7	22.8	734	1,086	635	1,068	57.05	95.96	2.79	4.68
1952-53.....	11,638	65,720	5.6	25.4	774	1,151	714	1,177	61.35	101.13	2.81	4.63
1953-54.....	12,101	69,928	5.8	27.2	798	1,271	809	1,381	66.85	114.12	2.97	5.08
1954-55.....	12,517	74,099	5.9	28.1	879	1,434	852	1,422	68.07	113.61	3.03	5.06
1955-56.....	13,004	77,676	6.0	30.9	1,005	1,578	923	1,533	70.98	117.89	2.99	4.96
1956-57.....	13,581	88,299	6.5	33.8	1,079	1,834	1,030	1,732	75.84	127.53	3.05	5.12
1957-58.....	14,177	98,015	6.9	36.4	1,111	1,751	1,147	1,891	80.91	133.39	3.15	5.20
1958-59.....	14,741	101,982	6.9	38.1	1,210	1,925	1,246	1,932	84.53	131.06	3.27	5.07
1959-60.....	15,288	108,423	7.1	41.8	1,491	2,198	1,435	2,086	93.86	136.45	3.43	4.99
1960-61.....	15,863	115,737	7.3	44.2	1,598	2,338	1,678	2,525	105.78	159.18	3.80	5.71
1961-62.....	16,412	122,339	7.5	46.9	1,728	2,451	1,697	2,406	103.40	146.60	3.62	5.13
1962-63.....	16,951	128,981	7.6	50.6	1,866	2,668	1,881	2,703	110.97	159.46	3.72	5.34
1963-64.....	17,530	134,721	7.7	54.1	2,137	3,057	2,064	3,182	117.74	181.52	3.82	5.88
1964-65.....	18,026	143,896	8.0	58.7	2,245	3,295	2,345	3,652	130.09	202.60	3.99	6.22
1965-66.....	18,464	151,199	8.2	62.8	2,509	3,581	2,580	4,059	139.73	219.83	4.11	6.46
1966-67.....	18,831	158,404	8.4	68.3	2,895	4,073	3,017	4,659	160.21	247.41	4.42	6.82
1967-68.....	19,175	162,677	8.5	73.6	3,682	4,927	3,273	5,014	170.69	261.49	4.45	6.81
1968-69.....	19,432	171,655	8.8	80.6	4,136	5,450	3,909	5,673	201.16	291.94	4.85	7.04
1969-70.....	19,745	179,583	9.1	88.6	4,330	5,743	4,456	6,302	225.68	319.17	5.03	7.12
1970-71.....	20,039	181,581	9.1	95.0	4,534	5,919	4,854	6,556	242.23	327.16	5.11	6.90
1971-72.....	20,346	181,912	8.9	100.8	5,395	6,897	5,027	6,684	247.08	328.52	4.99	6.63
1972-73.....	20,585	188,460	9.2	110.2	5,780	7,366	5,616	7,422	272.82	360.55	5.09	6.73
1973-74.....	20,869	192,918	9.2	121.6	6,978	8,715	7,299	9,311	349.75	446.16	6.00	7.66
1974-75.....	21,174	203,548	9.6	136.0	8,630	10,405	8,349	10,276	394.30	485.31	6.14	7.55
1975-76.....	21,538	206,361	9.6	149.4	9,639	11,567	9,518	11,452	441.92	531.71	6.37	7.67
1976-77.....	21,936	213,795	9.7	167.4	11,381	13,463	10,467	12,632	477.16	575.86	6.25	7.54
1977-78.....	22,352	221,251	9.9	186.5	13,695	15,962	11,686	14,003	522.82	626.48	6.27	7.51
1978-79.....	22,836	218,530	9.6	213.9	15,219	17,711	16,251	18,745	711.64	820.85	7.60	8.76
1979-80.....	23,257	220,193	9.5	244.8	17,985	20,919	18,534	21,488	796.92	923.94	7.57	8.78
1980-81.....	23,782	225,567	9.5	278.1	19,023	22,104	21,105	24,511	887.44	1,030.65	7.59	8.81
1981-82.....	24,278	228,813	9.4	311.9	20,960	23,601	21,693	25,022	893.53	1,030.65	6.95	8.02
1982-83.....	24,805	228,489	9.2	332.8	21,233	24,291	21,751	25,330	876.88	1,021.17	6.53	7.61
1983-84.....	25,336	226,695	8.9	358.0	23,809	27,626	22,869	26,797	902.63	1,057.66	6.39	7.49
1984-85.....	25,816	229,845	8.9	397.6	26,536	31,570	25,722	30,961	996.36	1,199.30	6.47	7.79
1985-86.....	26,402	229,641	8.7	431.2	28,072	33,558	28,841	34,977	1,092.38	1,324.79	6.69	8.11
1986-87.....	27,052	232,927	8.6	463.6	32,519	37,767	31,469	38,079	1,163.28	1,407.62	6.79	8.21
1987-88.....	27,717	237,761	8.6	497.3	32,534	38,773	33,021	40,452	1,191.36	1,459.47	6.64	8.13
1988-89.....	28,393	248,173	8.7	534.5	36,953	43,322	35,897	44,634	1,264.29	1,572.01	6.72	8.35
1989-90.....	29,142	254,589	8.7	575.6	38,750	46,453	39,456	48,594	1,353.92	1,667.49	6.85	8.44
1990-91.....	29,976	260,622	8.7	616.7	38,214	47,024	40,264	51,446	1,343.21	1,716.24	6.53	8.34
1991-92.....	30,646	261,713	8.5	624.5	42,026	53,117	43,327	56,280	1,413.79	1,836.46	6.94	9.01
1992-93.....	31,283	268,419	8.6	640.8	40,942	52,435	40,822	57,490	1,304.93	1,837.74	6.37	8.97
1993-94.....	31,927	269,221	8.4	663.5	39,875	51,975	37,333	51,161	1,169.32	1,602.44	5.63	7.71

¹ Population as of July 1, the beginning of the fiscal year.

² Includes Special Accounts in General Fund from 1973-74 to 1976-77.

³ Expenditures include payments from General Fund, Special Funds and Selected Bond Funds beginning in 1963-64.

Schedule 6
GENERAL FUND
ANALYSIS OF CHANGE IN RESERVES AS OF JUNE 30, 1993
FROM THE PREVIOUS GOVERNOR'S BUDGET
(In Thousands)

<i>DETAIL OF CHANGES</i> 1991-92 Fiscal Year (From previous Governor's Budget to the current Governor's Budget)	<i>1992-93</i> <i>Governor's</i> <i>Budget</i> <i>(previous</i> <i>estimate)</i>	<i>1993-94</i> <i>Governor's</i> <i>Budget</i> <i>(revised</i> <i>estimate)</i>	<i>Effect of</i> <i>Changes</i> <i>on</i> <i>Reserves</i>
Prior year resources available.....	-\$1,258,912	-\$919,610	\$339,302
Revenues and Transfers:			
Revenues	42,790,383	41,337,292	- 1,453,091
Transfers and Loans	842,900	689,201	- 153,699
Totals, Revenues and Transfers	\$43,633,283	\$42,026,493	-\$1,606,790
Expenditures:			
State Operations	9,951,169	10,478,280	- 527,111
Capital Outlay	35,710	35,264	446
Local Assistance	33,731,334	32,854,854	876,480
Unclassified	-	- 41,413	41,413
Totals, Expenditures	\$43,718,213	\$43,326,985	\$391,228
 <i>1992-93 Fiscal Year</i> (From previous Governor's Budget to the current Governor's Budget)			
Revenues and Transfers:			
Revenues	45,305,327	40,146,253	- 5,159,074
Transfers and Loans	367,738	795,375	427,637
Totals, Revenues and Transfers	\$45,673,065	\$40,941,628	-\$4,731,437
Expenditures:			
State Operations	10,724,593	9,815,551	909,042
Capital Outlay	354	-	354
Local Assistance	33,092,015	31,006,320	2,085,695
Totals, Expenditures	\$43,816,962	\$40,821,871	\$2,995,091
Total Effect of Changes on Reserves			-\$2,612,606
 TOTAL CHANGES			
Changes in Reserves:			
Special Fund for Economic Uncertainties including Disaster Response- Emergency Operations Account	105,350	- 2,510,704	- 2,616,054
Reserve for Proposition 98	(210,000) ¹	-	-
Reserve for Encumbrances	406,911	410,359	3,448
Total Fund Balance, June 30, 1993	\$512,261	-\$2,100,345	-\$2,612,606

¹ Represented a contingency amount included in expenditures to meet the State's obligation to conform to Proposition 98.

Schedule 7
GENERAL FUND
(in thousands)

STATEMENT OF FINANCIAL CONDITION

June 30, 1992

ASSETS	General Fund Balances	LIABILITIES	General Fund Balances
Cash in State Treasury and agency accounts.....	\$203,662	Accounts payable.....	\$670,245
Receivables.....	172,378	Notes payable.....	475,000
Due from other funds.....	4,075,256	Due to other funds.....	2,788,907
Due from other governments.....	46,187	Pooled Money Investment Account Loans Payable.....	3,156,724
Advances to other funds.....	2,851	Due to other governments.....	645,857
Prepaid expenses.....	181,411	Accrued interest payable.....	156,760
Other assets.....	730	Advance collections.....	17,343
TOTAL OPERATING ASSETS	\$4,682,475	Deposits.....	555
		Other liabilities.....	43,186
		Total Liabilities	\$7,954,577
		FUND BALANCE	
		Reserved for Encumbrances.....	410,359
		Designated for Unencumbered Balances of Continuing Appropriations.....	196,153
		Special Fund for Economic Uncertainties.....	-
		Reserved for Article XVI, Section 8 of the State Constitution (Proposition 98).....	114,853
		Unreserved-Undesignated Available for Appropriation.....	-3,993,467
		TOTAL FUND BALANCE	\$3,272,102¹
		TOTAL LIABILITIES AND FUND BALANCE	\$4,682,475

LONG-TERM OBLIGATIONS

General obligation bonds.....	\$15,946,725
Less: self-liquidating bonds.....	4,434,935
Net general bonded debt.....	\$11,511,790
Interest payable in future years.....	6,950,677
Net Total Long-Term Obligations.....	\$18,462,467

¹ The total fund balance of -\$3,272,102 shown in this Statement of Financial Condition prepared by the State Controller differs from the Fund Balance of -\$2,220,102 shown in the Schedule 1 (General Budget Summary) because of adjustments identified after the issuance of the State Controller's Preliminary Annual Report. The adjustments are summarized in the following table.

Controller's Preliminary Report.....	-\$3,272,102
Adjustments:	
Education—Prop 98 expenditures included by Controller, Chapter 708, Statutes of 1992.....	+1,083,000
Adjustment for Pooled Money Investment Account Revenue.....	+41,000
Increased Debt Service Expenditure.....	-72,000
Adjusted Fund Balance per Schedule 1.....	-\$2,220,102

Schedule 8

COMPARATIVE STATEMENT OF REVENUES: FISCAL YEARS 1991-92, 1992-93, AND 1993-94
(dollars in thousands)

Sources	Actual 1991-92			Estimated 1992-93			Estimated 1993-94		
	General Fund	Special funds	Total	General Fund	Special funds	Total	General Fund	Special funds	Total
MAJOR TAXES AND LICENSES									
Excise Tax on Beer and Wine	165,108	—	165,108	160,400	—	160,400	155,000	—	155,000
Excise Tax on Distilled Spirits	156,244	—	156,244	146,600	—	146,600	136,000	—	136,000
Bank and Corporation (Income Taxes)	4,493,964	44,400	4,537,964	4,850,000	45,000	4,895,000	4,900,000	45,000	4,945,000
Cigarette Tax	168,716	550,654	719,370	177,747	527,973	705,720	191,800	496,963	688,763
Horse Racing Revenues	88,289	41,075	129,364	80,115	40,500	120,615	74,619	40,213	114,832
Inheritance Tax	446,696	—	446,696	540,000	—	540,000	608,000	—	608,000
Insurance Gross Premiums Tax	1,167,307	—	1,167,307	1,212,000	—	1,212,000	1,223,000	—	1,223,000
Trailer Coach License (In-Lieu Fees)	—	31,331	31,331	16,415	15,085	31,500	18,740	12,960	31,700
Motor Vehicle License (In-Lieu Fees)	—	2,911,972	2,911,972	—	2,958,500	2,958,500	—	3,028,500	3,028,500
Motor Vehicle Fuel Tax (Gasoline)	—	2,160,441	2,160,441	—	2,107,318	2,107,318	—	2,271,319	2,271,319
Motor Vehicle Fuel Tax (Diesel)	—	297,674	297,674	—	320,622	320,622	—	353,919	353,919
Motor Vehicle Registration	—	1,427,164	1,427,164	—	1,514,035	1,514,035	—	1,548,235	1,548,235
Personal Income Tax	17,239,775	429	17,240,204	16,760,000	1,312	16,761,312	16,900,000	1,797	16,901,797
Retail Sales and Use Taxes	16,146,059	1,436,516	17,582,575	15,110,000	1,545,800	16,655,800	14,256,000	1,630,400	15,886,400
TOTALS, MAJOR TAXES AND LICENSES	40,071,758	8,901,656	48,973,414	39,053,277	9,076,145	48,129,422	38,463,159	9,429,306	47,892,465
MINOR REVENUES									
REGULATORY TAXES AND LICENSES									
General Fish and Game Taxes	—	1,858	1,858	—	1,890	1,890	—	1,834	1,834
Electrical Energy Tax	—	50,094	50,094	—	41,239	41,239	—	42,064	42,064
Quarterly Public Util Commission Fees	—	68,289	68,289	—	70,606	70,606	—	68,763	68,763
Liquor License Fees	31,241	—	31,241	—	36,862	36,862	—	39,166	39,166
Genetic Disease Testing Fees	—	33,876	33,876	—	46,009	46,009	—	59,641	59,641
Other Regulatory Taxes	9,124	58,125	67,249	8,616	47,419	56,035	8,616	59,152	67,768
General Fish and Game Lic Tags Permits	—	61,850	61,850	—	61,038	61,038	—	61,950	61,950
Other Regulatory Licenses and Permits	54,845	176,074	230,919	49,078	218,561	267,639	39,563	222,859	262,422
Universal Telephone Service Tax	373	—	373	—	—	—	—	—	—
Other	72,775	940,757	1,013,532	70,825	1,130,161	1,200,986	72,600	989,428	1,062,028
TOTALS	168,358	1,390,923	1,559,281	128,519	1,653,785	1,782,304	120,779	1,544,857	1,665,636
REVENUE FROM LOCAL AGENCIES									
Trial Court Revenues	304,695	—	304,695	344,485	—	344,485	341,708	—	341,708
Architecture Public Building Fees	—	31,927	31,927	—	25,952	25,952	—	25,952	25,952
Penalties on Traffic Violations	—	87,426	87,426	—	100,888	100,888	—	105,578	105,578
Other	5,950	34,369	40,319	15,435	38,830	54,265	15,855	46,064	61,919
TOTALS	310,645	153,722	464,367	359,920	165,670	525,590	357,563	177,594	535,157
SERVICES TO THE PUBLIC									
Pay Patients Board Charges	44,249	—	44,249	31,500	—	31,500	32,500	—	32,500
State Beach and Park Service Fees	—	50,869	50,869	—	55,850	55,850	—	56,850	56,850
Emergency Telephone Users Surcharge	—	79,044	79,044	—	67,051	67,051	—	67,051	67,051
Receipts From Health Care Deposit Fund	51,418	—	51,418	42,854	—	42,854	41,354	—	41,354
California State University Fees	—	414,192	414,192	—	490,548	490,548	—	490,579	490,579
Personalized License Plates	—	31,678	31,678	—	33,947	33,947	—	34,677	34,677

Schedule 8

COMPARATIVE STATEMENT OF REVENUES: FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued

(dollars in thousands)

Sources	Actual 1991-92			Estimated 1992-93			Estimated 1993-94		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
Other	36,213	83,856	120,069	24,254	98,719	122,973	24,031	103,353	127,384
TOTALS	131,880	659,639	791,519	98,608	746,115	844,723	97,885	752,510	850,395
USE OF PROPERTY AND MONEY									
Income From Pooled Money Investments	196,500	2,964	199,464	142,900	3,218	146,118	157,600	3,276	160,876
Income From Surplus Money Investments	125,515	105,822	231,337	110,000	82,213	192,213	110,000	75,740	185,740
Federal Lands Royalties	—	20,479	20,479	—	19,968	19,968	—	19,968	19,968
Oil & Gas Lease-1% Revenue City/County	177	—	177	200	—	200	200	—	200
Rentals of State Property	5,853	32,428	38,281	6,005	31,425	37,430	6,205	36,425	42,630
State Land Royalties	92,193	142,272	234,465	12,197	97,004	109,201	44,508	41,493	86,001
Other	14,173	41,271	55,444	22,541	42,025	64,566	25,920	47,341	73,261
TOTALS	434,411	345,236	779,647	293,843	275,853	569,696	344,433	224,243	568,676
MISCELLANEOUS									
Penalties & Interest on UI & DI Contrib	—	53,463	53,463	—	52,349	52,349	—	55,109	55,109
Sale of Fixed Assets	1,523	48	1,571	1,709	39	1,748	1,777	39	1,816
Revenue-Abandoned Property	195,460	—	195,460	155,000	—	155,000	100,000	—	100,000
Miscellaneous Revenue	4,818	58,764	63,582	4,712	69,166	73,878	4,001	69,899	73,900
Penalties & Intrst on Personal Income Tx	—	12,044	12,044	—	11,760	11,760	—	12,348	12,348
Other Revenue - Cost Recoveries	—	7,439	7,439	—	6,431	6,431	—	13,900	13,900
Uninsured Motorist Fees	1,037	—	1,037	—	—	—	—	—	—
Parking Violations	1	—	1	1	—	1	1	—	1
Penalty Assessments	7,372	53,389	60,761	6,824	58,118	64,942	6,847	62,291	69,138
Other	10,029	14,525	24,554	43,840	16,854	60,694	6,839	14,163	21,002
TOTALS	220,240	199,672	419,912	212,086	214,717	426,803	119,465	227,749	347,214
TOTALS, MINOR REVENUES	1,265,534	2,749,192	4,014,726	1,092,976	3,056,140	4,149,116	1,040,125	2,926,953	3,967,078
TOTALS, REVENUES	41,337,292	11,650,848	52,988,140	40,146,253	12,132,285	52,278,538	39,503,284	12,356,259	51,859,543
TRANSFERS & LOANS									
General Fund	-7,665	2,150	-5,515	-10,095	6,253	-3,842	-917	—	-917
Property Acquisition Law Money A	—	—	—	15	-15	—	—	—	—
Motor Vehicle Parking Facil Mone	1,400	-1,400	—	17	-17	—	—	—	—
Access for Handicapped Account	1,500	-1,500	—	171	-171	—	—	—	—
Attorney General Antitrust Accou	—	—	—	611	-611	—	600	-600	—
Hazardous Waste Control Account	—	—	—	1,607	-1,607	—	—	—	—
Fingerprint Fees Account	—	—	—	500	-500	—	—	—	—
Emergency Telephone Number Acct,	23,400	-23,400	—	6,492	-6,492	—	15,000	-15,000	—
Motor Vehicle Insurance Account,	—	—	—	15	-15	—	—	—	—
Nuclear Planning Assessment Spec	—	—	—	10	-10	—	—	—	—
Energy Conservation Assistance A	5,800	-5,800	—	4,770	-4,770	—	—	—	—
Surface Mining and Reclamation A	—	—	—	259	-259	—	—	—	—
Special Account for Capital Outl	105,000	-105,000	—	18	-18	—	—	—	—
Aeronautics Account STF	2,000	-2,000	—	3,867	-3,867	—	500	-500	—
Highway Account, State, STF	—	—	—	90,000	-90,000	—	60,000	-60,000	—
Motor Vehicle Account, STF	51,500	-51,500	—	67,000	-67,000	—	30,000	-30,000	—

Schedule 8

COMPARATIVE STATEMENT OF REVENUES: FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued

(dollars in thousands)

Sources	Actual 1991-92			Estimated 1992-93			Estimated 1993-94		
	General Fund	Special funds	Total	General Fund	Special funds	Total	General Fund	Special funds	Total
Bicycle Lane Account, STF	—	—	—	100	-100	—	100	-100	—
Transport Planning & Develop Acct	—	—	—	16,000	-16,000	—	9,000	-9,000	—
Local Airport Loan Account	—	—	—	1,063	-1,063	—	974	-974	—
Highway Construct Revolv Acct, S	—	10,000	10,000	—	—	—	—	—	—
New Motor Vehicle Board Account	—	—	—	169	-169	—	—	—	—
Seismic Safety Retrofit Account,	11,307	-11,307	—	17,000	-17,000	—	—	—	—
Hazardous Spill Prevention Acct,	—	—	—	20	-20	—	—	—	—
Motor Vehicle Fuel Account, TTF	—	—	—	4,550	-4,550	—	4,000	-4,000	—
Highway Users Tax Account, TTF	—	—	—	12	-12	—	—	—	—
Corporations Fund, State	—	—	—	3,749	-3,749	—	—	—	—
Barbering/Cosmetology Conting Fd	—	—	—	819	-819	—	—	—	—
Occupational Lead Poisoning Prev	—	—	—	18	-18	—	—	—	—
Tissue Bank License Fund	—	—	—	9	-9	—	—	—	—
Childhood Lead Poisoning Prevent	—	—	—	3,776	-3,776	—	—	—	—
Alcohol Beverage Control Fund	—	—	—	14,625	-14,625	—	13,046	-13,046	—
Cigarette Tax Fund	—	—	—	437	-437	—	—	—	—
Used Oil Recycling Fund, Califor	—	—	—	41	-41	—	—	—	—
Oil Refinery & Chem Plant Safety	—	—	—	49	-49	—	—	—	—
Pesticide Regulation Fund, Dept	—	—	—	583	-583	—	—	—	—
Acupuncturists Fund	256	-256	—	445	-445	—	—	—	—
Agriculture Acct, AG Fund	—	-2,800	-2,800	28,298	-28,298	—	—	—	—
Agricultural Pest Control Resear	—	—	—	12	-12	—	—	—	—
Auctioneer Commission Fund	127	-127	—	218	-218	—	—	—	—
Air Pollution Control Fund	—	—	—	707	-707	—	—	—	—
Alcoholic Beverage Control Appea	—	—	—	57	-57	—	—	—	—
Animal Health Technician Exam Co	62	-62	—	3	-3	—	—	—	—
School Building Program Account	6,900	-6,900	—	1,429	-1,429	—	—	—	—
Hospital Building Account-App Fu	—	—	—	732	-732	—	—	—	—
Hosp Plan Chk Acct, App Fund	1,800	-1,800	—	222	-222	—	—	—	—
Rural Economic Development Fund	2,500	-2,500	—	731	-731	—	—	—	—
Agricultural Export Promotion Ac	—	—	—	4	-4	—	—	—	—
Water Device Certification Spec	43	-43	—	44	-44	—	43	-43	—
AWOL Abatement Program Fund	—	—	—	3	-3	—	—	—	—
Beverage Container Recycling Fun	—	—	—	2,047	-2,047	—	—	—	—
AIDS Vaccine Research Develop Gr	—	—	—	3	-3	—	—	—	—
Banking Fund, State	5,400	-5,400	—	2,481	-2,481	—	—	—	—
Vital Record Improvement Project	12,700	-12,700	—	1,890	-1,890	—	—	—	—
Drinking Driver Program Licensin	—	—	—	201	-201	—	—	—	—
Environmental License Plate Fund	—	—	—	895	-895	—	—	—	—
Soil Conservation Fund	—	—	—	147	-147	—	—	—	—
Health Data & Planning Fund, CA	—	—	—	1,364	-1,364	—	—	—	—
Water Fund, California	—	—	—	221	-221	—	—	—	—
Commerce Marketing Fund	—	—	—	1	-1	—	—	—	—
Unitary Fund, California	42,824	-42,824	—	43,572	-43,572	—	45,300	-45,300	—
Chiropractic Examiners Fund	—	—	—	606	-606	—	—	—	—
Collection Agency Fund	262	-262	—	—	—	—	—	—	—
Continuing Care Provider Fee Fun	—	—	—	11	-11	—	—	—	—
Outer Cont Shelf Land Act Sec 8g	12,059	-12,059	—	2,044	-2,044	—	3,817	-3,817	—
Delinquent Tax Collection Fund	—	—	—	132	-132	—	1,393	-1,393	—
Structural Pest Control Research	—	—	—	22	-22	—	—	—	—
Debt Limit Allocation Committee	—	—	—	49	-49	—	—	—	—
Corrections Training Fund	563	-563	—	1,382	-1,382	—	—	—	—

Schedule 8

COMPARATIVE STATEMENT OF REVENUES: FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued

(dollars in thousands)

Sources	Actual 1991-92		Estimated 1992-93		Estimated 1993-94	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Debt Advisory Commission Fund Ca	—	—	276	-276	—	—
Competitive Technology Fund	3,200	-3,200	5,985	-5,985	—	—
Dispensing Opticians Fund	—	—	29	-29	—	—
Delta Flood Protection Fund	2,000	-2,000	1,084	-1,084	—	—
Food Safety Fund	—	—	54	-54	—	—
Driver Training Penalty Assessme	7,686	-7,686	36,791	-36,791	39,515	-39,515
Environmental Laboratory Improve	—	—	48	-48	—	—
Registered Nurse Education Fund	—	—	51	-51	—	—
Electromagnetic Field Study Fd.H	—	—	7	-7	—	—
Environmnt Enhanc & Mitigat Demo	—	—	250	-250	300	-300
Employment Development Dept Benef	—	—	1,105	-1,105	—	—
Employment Development Contingen	43,812	-43,812	40,904	-40,904	24,965	-24,965
Energy and Resource Fund	432	-432	701	-701	678	-678
Fair and Exposition Fund	246	-246	6,563	-6,563	246	-246
Satellite Wagering Account	5,000	-5,000	1,595	-1,595	—	—
Waste Discharge Permit Fund	—	—	1,467	-1,467	—	—
Asset Forfeiture Distribution Fu	3,241	-3,241	1,947	-1,947	1,836	-1,836
Fire and Arson Training Fund, Ca	—	—	57	-57	—	—
Fireworks Licensing Fund, Calif	—	—	70	-70	—	—
Genetic Disease Testing Fund	—	—	1,502	-1,502	—	—
Geology and Geophysics Fund	161	-161	228	-228	—	—
Hearing Aid Dispensers Fund	—	—	4	-4	—	—
Hazardous Liquid Pipeline Safety	—	—	89	-89	—	—
Industrial Development Fund	—	—	163	-163	—	—
Industrial Rel Construction Enfo	—	—	13	-13	—	—
Insurance Fund	—	—	13,771	-13,771	—	—
Workers' Comp Administration Rev	—	—	457	-457	—	—
Food Safety Account, Agriculture	—	—	273	-273	—	—
Environmental Protection Trust Fu	—	—	132	-132	—	—
Tire Recycling Management Fund	—	—	211	-211	—	—
Low-Level Radioactive Waste Disp	—	—	535	-535	—	—
Business Fees Fund, Secty of Sta	—	—	4,433	-4,433	4,174	-4,174
Local Agency Deposit Fund	—	—	35	-35	—	—
Loc Pub Prosecutors & Pub Defend	—	—	103	-103	—	—
Methodone Program Licensing Trus	—	—	65	-65	—	—
Mobilehome Park Revolving Fund	—	—	106	-106	—	—
Publ Fac & Loc Agency Disastr Res	—	—	2,931	-2,931	—	—
Street and Highway Account-NDA F	—	—	1,403	-1,403	—	—
Nursing Home Admin St Lic Exam B	148	-148	31	-31	—	—
Off Highway Vehicle Fund	612	-612	1,880	-1,880	—	—
Osteopathic Medical Bd of Calif	—	—	103	-103	—	—
Exposition Park Improvement Fund	—	—	252	-252	—	—
Peace Officers Training Fund	—	—	394	-394	—	—
Glass Processing Fee Account	—	—	377	-377	—	—
Residential Care Facility for El	—	—	50	-50	50	-50
Physicians Assistant Fund	377	-377	451	-451	—	—
Bay Protection and Toxic Cleanup	—	—	438	-438	—	—
Residential Earthquake Recovery	—	—	825	-825	—	—
Pilot Commissioners Fund	—	—	200	-200	—	—
Podiatry Fund	625	-625	8	-8	—	—
Professional Forester Registrati	—	—	20	-20	—	—
Large Water Systems Account	—	—	97	-97	—	—

COMPARATIVE STATEMENT OF REVENUES: FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued

(dollars in thousands)

Sources	Actual 1991-92		Estimated 1992-93		Estimated 1993-94	
	General Fund	Special funds	General Fund	Special funds	General Fund	Special funds
Asbestos Consultant Certificate	—	—	8	-8	—	—
Private Postsecond & Vocation Ed	1,200	-1,200	108	-108	—	—
Psychology Fund	—	—	239	-239	—	—
Traumatic Brain Injury Fund	—	—	50	-50	—	—
Emergency Medical Services Perso	—	—	33	-33	—	—
Major Risk Insurance Fund	—	—	—	—	—	-266
Real Estate Fund	10,389	-10,389	3,943	-3,943	—	—
Respiratory Care Fund	785	-785	22	-22	—	—
Oil Spill Prevention & Administr	—	—	2,086	-2,086	—	—
Oil Spill Response Trust Fund	—	—	1,628	-1,628	—	—
Electronic and Appliance Repair	417	-417	282	-282	—	—
Athletic Commission Fund	—	—	9	-9	—	—
Pub Sch Ping Design & Constr Rev	—	—	233	-233	—	—
Reg Environmental Health Special	—	—	4	-4	—	—
Mine Reclamation Account	—	—	108	-108	—	—
Savings Association Spec Regulat	—	—	2,302	-2,302	—	—
Seismic Hazard Identification Fu	—	—	194	-194	—	—
School Building Lease-Purchase F	—	—	20,000	-20,000	—	—
School Land Bank Fund	7,000	-7,000	200	-200	—	—
Disaster Relief Fund	156,075	-156,075	99,528	-99,528	13,050	-13,050
Speech Pathology & Audio Exam Co	21	-21	360	-360	—	—
Dental Auxiliary Fund, State	339	-339	272	-272	—	—
Integrated Waste Management Act	—	—	1,418	-1,418	—	—
Parks and Rec. Acct, St, Parks &	—	—	1,955	-1,955	—	—
Self-Insurance Plans Fund	—	—	410	-410	—	—
Strong Motion Instrumentation Sp	—	—	811	-811	—	—
Structural Pest Cntrl Educ&Enfor	88	-88	91	-91	—	—
Real Estate Appraisers Regulatio	—	—	445	-445	—	—
Tax Preparers Fund	244	-244	171	-171	—	—
Teacher Credentials Fund	—	—	308	-308	—	—
Test Development and Admin Acct,	—	—	247	-247	—	—
Transcript Reimbursement Fund	—	—	8	-8	—	—
Vehicle Inspection and Repair Fu	—	—	9,634	-9,634	7,000	-7,000
Victim Witness Assistance Fund	—	—	202	-202	—	—
Air Toxics Inventory and Assessm	—	—	484	-484	—	—
Solid Waste Disp Site Clup & Ma	—	—	13,247	-13,247	—	—
Underground Storage Tank Tester	83	-83	1	-1	—	—
Underground Storage Tank Cleanup	—	—	438	-438	—	—
Petro Undergrnd Storage Tank Fin	—	—	405	-405	—	—
Wildlife Restoration Fund	—	—	172	-172	—	—
Seismic Gas Valve Cert Fee Acct	—	—	8	-8	—	—
Manufactured Home License Fee Ac	—	—	9,481	-9,481	10,757	-10,757
Elevator Safety Account	—	—	108	-108	—	—
Pressure Vessel Account	—	—	102	-102	—	—
Hazardous Substance Subaccount	—	—	499	-499	—	—
Mortgage Bd & Tax Credit Alloc F	—	—	275	-275	—	—
Site Operation and Maintenance A	—	—	8	-8	—	—
Dealers' Record of Sale Acct	—	—	281	-281	—	—
Energy Resources Programs Account	2,723	-2,723	17,750	-17,750	5,000	-5,000
Narc Assist & Relinquish Crim Of	—	—	65	-65	—	—
Special Financing Account	—	—	156	-156	—	—
Underground Storage Tank Fund	—	—	163	-163	—	—

Schedule 8

COMPARATIVE STATEMENT OF REVENUES: FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued
(dollars in thousands)

Sources	Actual 1991-92			Estimated 1992-93			Estimated 1993-94		
	General Fund	Special funds	Total	General Fund	Special funds	Total	General Fund	Special funds	Total
Gaming Registration Fee Account	—	—	—	59	-59	—	—	—	—
Energy Tech Research, Dev, & Dem	1,337	-1,337	—	100	-100	—	—	—	—
Surface Impoundment Assessment A	—	—	—	18	-18	—	—	—	—
Hazardous Subst Clear Acc.-SCO U	2,054	-2,054	—	7,740	-7,740	—	7,725	-7,725	—
Emergency Clean Water Grant Fund	—	—	—	241	-241	—	—	—	—
Financial Responsibility Penalty	3,751	-3,751	—	3,900	-3,900	—	4,000	-4,000	—
Boxer's Neurological Examination	22	-22	—	10	-10	—	—	—	—
Local Govt Geothermal Resource S	—	—	—	4,005	-4,005	—	—	—	—
Water Resources Development Bond	—	17,400	17,400	—	22,000	22,000	—	27,700	27,700
Expo & State Fair Enterprise Fund	—	—	—	72	—	72	—	—	—
Employment Training Fund	21,925	—	21,925	521	—	521	—	—	—
Harbors and Watercraft Revolving	14,329	—	14,329	40,906	—	40,906	26,141	—	26,141
Mobilehome Park Purchase Fund	—	—	—	11	—	11	—	—	—
Coastal Conservancy Fund, State	—	100	100	—	—	—	—	—	—
Uninsured Employer's Account	—	—	—	13	—	13	—	—	—
Agriculture Building Fund	169	108	108	2	—	2	—	—	—
Army Fund	—	—	—	—	—	—	—	—	—
Rural Redevelopment Loan Fund	—	—	—	6	—	6	—	—	—
Mobilehome Manufactured Home Rev	—	—	—	306	—	306	2,600	—	2,600
Stephen P Teale Data Center Rev	7,300	—	7,300	5,150	—	5,150	5,650	—	5,650
Disaster Housing Rehabilitation	—	—	—	69	—	69	—	—	—
Energy Serv & Supplemental Paymen	—	—	—	3	—	3	—	—	—
Accountancy Fund	7,182	-7,182	—	1,055	-1,055	—	—	—	—
Architectural Examiners Fd, Cal	226	-226	—	32	-32	—	—	—	—
Barber Exam Fd, St Bd Trans to—	626	-626	—	—	—	—	—	—	—
Cemetery Fund	217	-217	—	12	-12	—	—	—	—
Contractors License Fund	22,647	-22,647	—	4,004	-4,004	—	—	—	—
Cosmetology Cont Fd, Trans to 06	593	-593	—	—	—	—	—	—	—
School Building Aid Fund, State	23,000	—	23,000	23,000	—	23,000	23,000	—	23,000
Cleanwater Bond Fund, 1984 State	—	—	—	757	—	757	800	—	800
Dentistry Fund, State	444	-444	—	1,009	-1,009	—	—	—	—
Funeral Directors and Embalmers	—	—	—	60	-60	—	—	—	—
Home Furnish & Thermal Insulat F	762	-762	—	173	-173	—	—	—	—
Dry Cleaning Account	—	—	—	3	-3	—	—	—	—
Landscape Architects Fund, Cal S	184	-184	—	70	-70	—	—	—	—
Medical Quality Assurance, Conti	—	—	—	2,583	-2,583	—	—	—	—
Physical Therapy Fund	—	—	—	16	-16	—	—	—	—
Registered Nursing Fund, Board o	845	-845	—	2,528	-2,528	—	—	—	—
Oil Spill Bond Expense Acct. -Os	—	—	—	2	—	2	—	—	—
Optometry Fund, State	2	-2	—	101	-101	—	—	—	—
Pharmacy Board Contingent Fund	5,413	-5,413	—	617	-617	—	—	—	—
Private Investigator and Adjuste	—	—	—	97	-97	—	—	—	—
Professional Engineer & Land Sur	4,196	-4,196	—	1,030	-1,030	—	—	—	—
Shorthand Reporters Fund	160	-160	—	61	-61	—	—	—	—
Behavioral Science Examiners Fun	1,394	-1,394	—	437	-437	—	—	—	—
Structural Pest Control Fund	854	-854	—	1,195	-1,195	—	—	—	—
Veterinary Examiners Contingent	969	-969	—	20	-20	—	—	—	—
Vocational Nurses Account	1,005	-1,005	—	453	-453	—	—	—	—
Psychiatric Technicians Account	26	-26	—	40	-40	—	—	—	—
Unallocated Bonds Funds - Non Se	—	—	—	36,000	—	36,000	—	—	—
Children's Trust Fund, State	—	—	—	5	—	5	—	—	—
Self-Help Housing Fund	—	—	—	400	—	400	—	—	—

Schedule 8

COMPARATIVE STATEMENT OF REVENUES: FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued

(dollars in thousands)

Sources	Actual 1991-92		Estimated 1992-93		Estimated 1993-94	
	General Fund	Special funds	General Fund	Special funds	General Fund	Special funds
Audit Repayment Trust Fund	1,100	—	—	—	—	—
Superfund Bond Trust Fund	20,000	1,000	—	13,932	—	13,362
Medi-Cal Inpatient Pymit Adjustme	—	—	10	10	—	—
Mental Health Primary Prevention	2,000	—	1,473	1,473	581	581
Seniors Special Fund, California	—	—	1	1	—	—
Trust Fund, Federal	—	77	—	—	—	—
Co Medical Svcs Prog Acct, Co HI	—	—	—	—	2,925	2,925
County Health Acct, Co Health Sv	—	—	1,604	—	—	—
Local Hlth Capital Expend Acct, C	2,474	—	1,000	1,000	—	—
Medical Indigent Svcs Acct, Co HI	—	—	191	191	—	—
Penalty Fund, State	—	—	15	15	—	—
Industrial Relations Unpaid Wage	2,086	—	1,681	1,681	616	616
Small Business Expansion Fund	—	452	—	—	—	—
Forest Resources Improvement Fun	7,199	—	—	—	—	—
Housing Rehabilitation Loan Fund	—	7,199	24	24	—	—
Local Agency Indebtedness Fund	—	—	32	32	—	—
Homeownership Assistance Fund	—	—	2,233	2,233	121	121
Rental Housing Construction Fund	—	—	27	27	—	—
Special Deposit Fund	1,910	—	2,088	2,088	1,900	8,768
Student Loan Authority Fund	—	—	6,245	6,245	—	—
Foster Children and Parent Train	3,158	—	—	—	—	—
Timber Tax Fund	—	—	74	74	—	—
Mobilehome Recovery Fund	—	1,000	—	—	—	—
Urban Predevelopment Loan Fund	—	—	8	8	4,800	4,800
Senior's Fund California	—	—	3	3	—	—
Emergency Housing Assistance Fun	—	—	5	5	—	—
Various Other Unallocated NGC Fu	—	725	3	3	—	—
TOTALS, TRANSFERS & LOANS	689,201	560,004	795,375	639,345	371,286	115,881
TOTALS, REVENUES AND TRANSFERS	42,026,493	11,090,844	40,941,628	11,492,940	39,874,570	51,975,424

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND
FISCAL YEARS 1991-92, 1992-93, AND 1993-94
(dollars in thousands)

	Actual 1991-92				Estimated 1992-93				Estimated 1993-94						
	General Fund	Special funds	Budget Total	Selected Bond Funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond funds	Federal Funds
LEGISLATIVE, JUDICIAL, AND EXECUTIVE															
Legislative															
Legislature															
Senate															
State Operations															
Assembly															
State Operations															
Totals, Legislature															
Contributions to Legislator Retire Fund															
State Operations															
Con Sec 33.50-Auditor Gen & Leg Analyst															
State Operations															
Legislative Counsel Bureau															
State Operations															
Totals, Legislative															
Judicial															
Judiciary															
State Operations															
Local Assistance															
Totals, Judiciary															
Contributions to Judges Retirement Fund															
State Operations															
Local Assistance															
Totals, Contributions to Judges Retire Fd															
Salaries of Superior Court Judges															
Local Assistance															
State Block Grant for Trial Court Fund															
Local Assistance															
Totals, Judicial															
Executive/Governor															
Governor's Office															
State Operations															
Office of California/Mexico Affairs															
State Operations															
Office of Planning and Research															
State Operations															
Local Assistance															
Totals, Office of Planning and Research															
Office of Emergency Services															
State Operations															
Local Assistance															

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND

FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued

(dollars in thousands)

	Actual 1991-92				Estimated 1992-93				Estimated 1993-94			
	General Fund	Special funds	Budget Total	Selected Bond Funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond funds	Federal Funds	General Fund	Special funds
Capital Outlay	—	—	—	—	—	—	—	—	—	—	—	3,771
Totals, Office of Emergency Services	132,132	-60,260	71,872	—	190,087	37,306	47,238	84,544	—	149,051	33,837	29,299
Totals, Executive/Governor	142,798	-59,878	82,920	—	190,530	46,037	47,658	93,695	—	151,036	42,543	29,724
Executive/Constitutional Offices	—	—	—	—	—	—	—	—	—	—	—	—
Total Office of the Lieutenant Governor	1,359	—	1,359	—	—	1,247	—	1,247	—	—	1,270	—
Department of Justice	165,148	45,847	210,995	—	11,316	149,889	44,172	194,061	—	16,183	159,358	43,476
State Operations	529	325	854	—	—	592	850	1,442	—	—	371	600
Local Assistance	—	250	250	—	—	—	—	—	—	—	—	—
Capital Outlay	—	—	—	—	—	—	—	—	—	—	—	—
Totals, Department of Justice	165,677	46,422	212,099	—	11,316	150,481	45,022	195,503	—	16,183	159,729	44,076
State Controller	—	—	—	—	—	—	—	—	—	—	—	—
State Operations	63,241	4,091	67,332	—	1,145	59,717	4,291	64,008	—	2,287	60,689	4,319
State Board of Equalization	—	—	—	—	—	—	—	—	—	—	—	—
State Operations	132,478	21,632	154,110	—	—	135,510	29,351	164,861	—	159	157,422	11,897
Total Secretary of State	—	—	—	—	—	—	—	—	—	—	—	—
Secretary of State	22,834	—	22,834	—	—	13,157	12,723	25,880	—	—	11,649	13,506
State Operations	—	—	—	—	—	—	—	—	—	—	—	—
State Treasurer	5,412	—	5,412	79	—	4,981	—	4,981	419	—	4,836	—
Capital Outlay	—	660	660	—	—	—	—	—	—	—	—	—
Totals, State Treasurer	5,412	660	6,072	79	—	4,981	—	4,981	419	—	4,836	—
California Debt Advisory Commission	—	—	—	—	—	—	—	—	—	—	—	—
State Operations	—	1,133	1,133	—	—	—	1,250	1,250	—	—	—	1,267
California Debt Limit Allocation Commit	—	—	—	—	—	—	—	—	—	—	—	—
State Operations	—	402	402	—	—	—	387	387	—	—	—	394
Calif Industrial Dev Financing Adv Comm	—	—	—	—	—	—	—	—	—	—	—	—
State Operations	—	361	361	—	—	—	417	417	—	—	—	426
California Tax Allocation Committee	—	—	—	—	—	—	—	—	—	—	—	—
State Operations	—	1,115	1,115	—	—	—	1,558	1,558	—	—	—	1,535
Local Assistance	—	67	67	—	—	—	113	113	—	—	—	113
Totals, California Tax Allocation Committee	—	1,182	1,182	—	—	—	1,671	1,671	—	—	—	1,648
Totals, Executive/Constitutional Offices	391,001	75,883	466,884	79	12,461	365,093	95,112	460,205	419	18,629	395,595	77,533
Statewide Distributed Costs	—	—	—	—	—	—	—	—	—	—	—	—
State Mandated Local Costs-LJE	13,294	—	13,294	—	—	30,882	—	30,882	—	—	17,380	—
Local Assistance	—	—	—	—	—	—	—	—	—	—	—	—
Totals, Statewide Distributed Costs	13,294	—	13,294	—	—	30,882	—	30,882	—	—	17,380	—

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND
FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued
(dollars in thousands)

	Actual 1991-92				Estimated 1992-93				Estimated 1993-94			
	General Fund	Special funds	Budget Total	Selected Bond Funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond funds	Federal Funds	General Fund	Special funds
TOTALS, LEGISLATIVE, JUDICIAL, AND EXECUTIVE	1,616,714	16,128	1,632,842	79	202,991	1,369,027	142,943	1,511,970	419	169,765	1,281,677	107,507
State Operations	739,374	77,137	816,511	79	20,220	702,697	97,354	800,051	419	33,524	751,509	82,825
Local Assistance	877,340	-61,919	815,421	-	182,771	666,330	45,589	711,919	-	136,241	530,768	20,911
Capital Outlay	-	910	910	-	-	-	-	-	-	-	-	3,771
Unclassified	-	-	-	-	-	-	-	-	-	-	-	-
STATE AND CONSUMER SERVICES												
Secretary for State and Consumer Service												
State Operations	704	347	1,051	-	-	717	-	717	-	-	731	-
Museum of Science and Industry												
State Operations	6,283	1,695	7,978	-	-	5,196	1,896	7,092	-	-	6,260	1,918
Capital Outlay	-	1,000	1,000	1,411	-	-	650	650	39,950	-	-	-
Totals, Museum of Science and Industry	6,283	2,695	8,978	1,411	-	5,196	2,546	7,742	39,950	-	6,260	1,918
California Afro-American Museum												
State Operations	1,131	-	1,131	-	-	945	-	945	-	-	-	-
Department of Consumer Affairs												
Board of Accountancy												
State Operations	-	6,909	6,909	-	-	-	8,792	8,792	-	-	-	8,864
Board of Architectural Examiners												
State Operations	-	3,935	3,935	-	-	-	3,887	3,887	-	-	-	3,701
Athletic Commission												
State Operations	652	364	1,016	-	-	-	890	890	-	-	-	895
Bureau of Automotive Repair												
State Operations	-	72,779	72,779	-	-	-	67,616	67,616	-	-	-	69,048
Board of Barber Examiners												
State Operations	-	949	949	-	-	-	-	-	-	-	-	-
Board of Barbering and Cosmetology												
State Operations	-	-	-	-	-	-	7,149	7,149	-	-	-	8,536
Board of Behavioral Science Examiners												
State Operations	-	3,455	3,455	-	-	-	3,749	3,749	-	-	-	4,349
Cemetery Board												
State Operations	-	367	367	-	-	-	360	360	-	-	-	370
Bureau of Collection Agencies												
State Operations	-	1,609	1,609	-	-	-	-	-	-	-	-	-
Private Investigators and Adjustors												
State Operations	-	5,835	5,835	-	-	-	5,382	5,382	-	-	-	3,681
Contractors State License Board												
State Operations	-	33,859	33,859	-	-	-	34,114	34,114	-	-	-	31,686
Board of Cosmetology												
State Operations	-	4,828	4,828	-	-	-	-	-	-	-	-	-
Board of Dentistry												
State Operations	-	3,946	3,946	-	-	-	4,032	4,032	-	-	-	4,183
Board of Dental Auxiliaries												
State Operations	-	906	906	-	-	-	995	995	-	-	-	981

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND
FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued
(dollars in thousands)

	Actual 1991-92				Estimated 1992-93				Estimated 1993-94			
	General Fund	Special funds	Budget Total	Selected Bond Funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond Funds	Federal Funds	General Fund	Special funds
Bureau of Electronic & Appliance Repair												
State Operations	—	1,245	1,245	—	—	—	1,348	1,348	—	—	—	1,594
Board of Funeral Directors and Embalmers												
State Operations	—	584	584	—	—	—	782	782	—	—	—	813
Bd of Reg for Geologists & Geophysicists												
State Operations	—	424	424	—	—	—	524	524	—	—	—	505
Board of Guide Dogs for the Blind												
State Operations	34	—	34	—	—	38	—	38	—	—	40	—
Bureau of Home Furnish & Thermal Insula												
State Operations	—	2,319	2,319	—	—	—	2,770	2,770	—	—	—	2,403
Board of Landscape Architects												
State Operations	—	662	662	—	—	—	538	538	—	—	—	547
Medical Board of California												
State Operations	—	24,473	24,473	—	—	—	26,415	26,415	—	—	—	29,510
Acupuncture Examining Committee												
State Operations	—	824	824	—	—	—	926	926	—	—	—	828
Hearing Aid Dispensers Examining Committ												
State Operations	—	432	432	—	—	—	518	518	—	—	—	483
Physical Therapy Examining Committee												
State Operations	—	791	791	—	—	—	879	879	—	—	—	1,030
Physicians Assistant Examining Committee												
State Operations	—	511	511	—	—	—	666	666	—	—	—	633
Podiatry Examining Committee												
State Operations	—	792	792	—	—	—	1,243	1,243	—	—	—	943
Psychology Examining Committee												
State Operations	—	1,695	1,695	—	—	—	2,066	2,066	—	—	—	2,111
Respiratory Care Examining Committee												
State Operations	—	1,004	1,004	—	—	—	1,164	1,164	—	—	—	1,211
Speech Pathology and Audiology Exam Comm												
State Operations	—	262	262	—	—	—	302	302	—	—	—	305
Board of Examiners of Nursing Home Admin												
State Operations	—	343	343	—	—	—	421	421	—	—	—	420
Board of Optometry												
State Operations	—	687	687	—	—	—	848	848	—	—	—	806
Board of Pharmacy												
State Operations	—	3,275	3,275	—	—	—	3,779	3,779	—	—	—	4,376
Bd of Reg for Prof Engineer & Lnd Survy												
State Operations	—	4,707	4,707	—	—	—	5,840	5,840	—	—	—	5,821
Board of Registered Nursing												
State Operations	—	10,771	10,771	—	—	—	11,081	11,081	—	—	—	11,705
Certified Shorthand Reporters Board												
State Operations	—	621	621	—	—	—	758	758	—	—	—	799
Structural Pest Control Board												
State Operations	—	2,429	2,429	—	—	—	2,877	2,877	—	—	—	2,711
Tax Preparers Program												
State Operations	—	1,269	1,269	—	—	—	1,364	1,364	—	—	—	895
Bd of Examiners for Veterinary Medicine												
State Operations	—	834	834	—	—	—	916	916	—	—	—	862

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND

FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued

(dollars in thousands)

	Actual 1991-92			Estimated 1992-93			Estimated 1993-94			
	General Fund	Special funds	Budget Total	Selected Bond Funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond funds	Federal Funds
Animal Health Technician Examining Comm										
State Operations	—	116	116	—	—	—	106	106	—	—
Board of Vocational Nurse Program										
State Operations	—	3,244	3,244	—	—	—	3,306	3,306	—	—
Bd of Psychiatric Technician Program										
State Operations	—	928	928	—	—	—	1,008	1,008	—	—
Division of Consumer Services										
State Operations	1,081	—	1,081	—	—	—	—	—	—	—
Dept of Consumer Affairs-Admin Services										
State Operations	—	—	—	—	—	—	—	529	—	—
Totals, Department of Consumer Affairs	2,898	204,983	207,881	—	—	983	209,411	210,394	—	—
Dept of Fair Employment and Housing										
State Operations	9,591	—	9,591	—	2,794	9,390	—	9,390	—	2,066
Fair Employment and Housing Commission										
State Operations	734	—	734	—	—	634	—	634	—	—
Office of the State Fire Marshal										
State Operations	3,698	3,435	7,133	—	99	3,245	3,975	7,220	—	94
Franchise Tax Board										
State Operations	213,441	454	213,895	—	—	211,479	1,212	212,691	—	—
Capital Outlay	—	324	324	—	—	—	—	—	—	—
Totals, Franchise Tax Board	213,441	778	214,219	—	—	211,479	1,212	212,691	—	—
Total Dept of General Services										
State Operations	5,996	54,803	60,799	1,793	42	6,299	55,013	61,312	856	21
Local Assistance	—	55,331	55,331	—	200	—	57,085	57,085	—	—
Capital Outlay	—	762	762	—	—	—	330	330	10,000	—
Totals, Total Dept of General Services	5,996	110,896	116,892	1,793	242	6,299	112,428	118,727	10,856	21
State Personnel Board										
State Operations	9,174	—	9,174	—	—	7,514	—	7,514	—	—
Public Employees' Retirement System										
State Operations	27	—	27	—	—	27	—	27	—	—
Total Department of Veterans Affairs										
Department of Veterans Affairs										
State Operations	2,005	—	2,005	—	—	1,819	—	1,819	—	—
Local Assistance	1,680	—	1,680	—	—	1,680	—	1,680	—	—
Totals, Department of Veterans Affairs	3,685	—	3,685	—	—	3,499	—	3,499	—	—
Veterans' Home of California										
State Operations	26,383	242	26,625	—	13,051	22,207	—	22,207	—	11,013
Capital Outlay	—	2,904	2,904	—	5,754	—	2,342	2,342	—	3,617
Totals, Veterans' Home of California	26,383	3,146	29,529	—	18,805	22,207	2,342	24,549	—	14,630
Vietnam Veterans Memorial Commission										
State Operations	—	650	650	—	—	—	—	—	—	—
Totals, Veterans Memorial Commission	—	650	650	—	—	—	—	—	—	—
Totals, Veterans' Home of California	26,383	3,146	29,529	—	18,805	22,207	2,342	24,549	—	14,630
Totals, Veterans Memorial Commission	—	650	650	—	—	—	—	—	—	—
Totals, Veterans' Home of California	26,383	3,146	29,529	—	18,805	22,207	2,342	24,549	—	14,630
Totals, Veterans Memorial Commission	—	650	650	—	—	—	—	—	—	—

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND
FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued
(dollars in thousands)

Appendix 33

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND
FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued
(dollars in thousands)

	Actual 1991-92			Estimated 1992-93			Estimated 1993-94		
	General Fund	Special funds	Budget Total	General Fund	Special funds	Budget Total	General Fund	Special funds	Budget Total
Transportation									
California Transportation Commission									
State Operations	—	1,346	1,346	—	1,432	1,432	—	1,387	1,387
Local Assistance	—	9,880	9,880	—	—	366,000	—	—	366,000
Totals, California Transportation Commission	—	11,226	11,226	—	1,432	367,077	—	1,387	367,080
Special Transportation Programs									
Local Assistance	—	57,413	57,413	—	55,000	—	—	113,500	—
Dept of Transportation	11,799	1,403,264	1,415,063	—	1,429,466	—	—	1,456,550	—
State Operations	—	—	—	—	—	—	—	—	303,367
Local Assistance	—	4,032	4,032	—	4,032	—	—	4,032	—
Mass Transportation Planning Program	—	111,204	111,204	—	139,823	335,756	—	131,906	107,239
Aeronautics Program	—	4,481	4,481	—	3,639	—	—	5,949	—
Highway Transportation Program	—	257,599	257,599	—	247,833	—	—	319,741	—
Totals, Local Assistance	—	377,316	377,316	—	395,327	335,756	—	461,628	455,331
Capital Outlay	33,000	297,931	330,931	—	318,931	42,329	—	331,547	1,292,057
Totals, Dept of Transportation	44,799	2,078,511	2,123,310	—	2,143,724	378,085	—	2,249,725	136,223
Office of Traffic Safety									
State Operations	—	303	303	—	310	—	—	317	—
Local Assistance	—	—	—	—	—	—	—	—	10,682
Totals, Office of Traffic Safety	—	303	303	—	310	—	—	317	—
Dept of the California Highway Patrol									
State Operations	—	631,370	631,370	—	575,391	—	—	656,162	—
Capital Outlay	—	1,034	1,034	—	15,087	—	—	20,404	—
Totals, Dept of the California Highway Patrol	—	632,404	632,404	—	590,478	—	—	676,566	—
Department of Motor Vehicles									
State Operations	60	473,857	473,917	60	467,257	467,317	60	498,553	498,613
Capital Outlay	—	3,850	3,850	—	6,021	—	—	15,716	—
Totals, Department of Motor Vehicles	60	477,707	477,767	60	473,278	473,338	60	514,269	514,329
Totals, Transportation	44,859	3,257,564	3,302,423	60	3,264,222	745,162	60	3,555,764	503,303
Statewide Distributed Costs									
General Obligation Bonds-BT&H	50,904	—	50,904	—	170,936	—	—	183,847	—
State Mandated Local Costs-BT&H	803	—	803	180	—	180	230	—	—
Totals, Statewide Distributed Costs	51,707	—	51,707	180	171,116	—	184,077	—	—

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND
FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued
(dollars in thousands)

	Actual 1991-92				Estimated 1992-93				Estimated 1993-94			
	General Fund	Special funds	Budget Total	Selected Bond Funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond funds	Federal Funds	General Fund	Special funds
TOTALS, BUSINESS, TRANSPORTATION, AND HOUSING												
State Operations	178,561	3,412,757	3,591,318	836,246	1,647,745	218,244	3,522,842	3,741,086	777,642	2,224,827	193,452	3,750,565
Local Assistance	98,284	2,654,526	2,752,810	6,648	376,690	179,790	2,666,722	2,846,512	7,457	338,186	188,998	2,794,058
Capital Outlay	47,277	455,416	502,693	783,441	339,860	38,454	516,081	554,535	727,856	504,695	4,454	588,840
Unclassified	33,000	302,815	335,815	46,157	931,195	—	340,039	340,039	42,329	1,381,946	—	367,667
Totals, Trade and Commerce Agency	23,626	1,081	24,707	—	2,532	23,826	9,904	33,730	—	3,785	36,272	5,597
TOTALS, TRADE AND COMMERCE AGENCY												
State Operations	23,626	1,081	24,707	—	2,532	23,826	9,904	33,730	—	3,785	36,272	5,597
Local Assistance	15,220	1,233	16,453	—	103	20,299	934	21,233	—	230	24,325	1,195
Capital Outlay	8,917	-152	8,765	—	2,429	3,527	8,970	12,497	—	3,555	11,947	4,402
Unclassified	—	—	—	—	—	—	—	—	—	—	—	—
RESOURCES												
Secretary for Resources												
State Operations	1,120	890	2,010	—	78	1,789	299	2,088	—	198	1,150	304
Special Resources Program												
State Operations	489	100	589	—	—	416	100	516	—	—	416	103
Local Assistance	910	800	1,710	—	—	910	582	1,492	—	—	910	582
Totals, Special Resources Program	1,399	900	2,299	—	—	1,326	682	2,008	—	—	1,326	685
California Tahoe Conservancy												
State Operations	716	386	1,102	912	—	666	376	1,042	889	—	676	359
Local Assistance	—	2,250	2,250	—	13	—	1,763	1,763	—	—	—	2,000
Capital Outlay	—	2,293	2,293	6,180	—	—	8,336	8,336	4,816	—	—	7,684
Totals, California Tahoe Conservancy	716	4,929	5,645	7,092	13	666	10,475	11,141	5,705	—	676	10,043
California Conservation Corps												
State Operations	34,190	6,223	40,413	—	—	26,683	5,499	32,182	—	1,642	26,967	5,598
Capital Outlay	—	337	337	—	—	—	—	—	—	—	—	—
Totals, California Conservation Corps	34,190	6,560	40,750	—	—	26,683	5,499	32,182	—	1,642	26,967	5,598
Energy Resources Conservation & Dev Com												
State Operations	24	48,255	48,279	—	48,254	26	32,045	32,071	—	48,073	—	39,930
Totals, Energy Resources Conservation & Dev Com	24	48,255	48,279	—	48,254	26	32,045	32,071	—	48,073	—	39,930

**COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND
FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued**
(dollars in thousands)

	Actual 1991-92				Estimated 1992-93				Estimated 1993-94						
	General Fund	Special funds	Budget Total	Selected Bond Funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond funds	Federal Funds
Local Assistance	—	1,488	1,488	—	—	—	52	52	—	—	—	1,352	1,352	—	—
Totals, Energy Resources Conserv & Dev Com Renewable Resources Investment Program	24	49,743	49,767	—	48,254	26	32,097	32,123	—	48,073	—	41,282	41,282	—	39,944
State Operations	—	2,142	2,142	—	—	—	2,000	2,000	—	—	—	2,000	2,000	—	—
Colorado River Board of California	195	8	203	—	—	203	10	213	—	—	208	11	219	—	—
Department of Conservation	13,131	384,720	397,851	—	424	13,272	387,483	400,755	—	554	13,699	372,171	385,870	—	516
Department of Forestry and Fire Protect	264,259	20,532	284,791	33	6,363	279,401	9,936	289,337	34	6,053	247,037	17,677	264,714	34	6,167
Local Assistance	—	—	—	633	1,562	—	—	—	633	1,593	—	—	—	633	1,593
Capital Outlay	—	1,844	1,844	—	—	—	3,663	3,663	—	—	—	7,090	7,090	—	—
Totals, Department of Forestry and Fire Protect	264,259	22,376	286,635	666	7,925	279,401	13,599	293,000	667	7,646	247,037	24,767	271,804	667	7,760
State Lands Commission	11,662	4,173	15,835	—	—	9,369	4,526	13,895	—	—	9,457	4,809	14,266	—	—
Capital Outlay	—	834	834	—	—	—	—	—	—	—	—	—	—	—	—
Totals, State Lands Commission	11,662	5,007	16,669	—	—	9,369	4,526	13,895	—	—	9,457	4,809	14,266	—	—
Seismic Safety Commission	836	—	836	134	21	716	-100	616	570	75	729	—	729	921	—
Department of Fish and Game	15,104	99,776	114,880	1,008	21,191	3,438	110,222	113,660	3,156	26,576	3,539	110,918	114,457	3,149	26,546
State Operations	—	—	—	—	—	—	1,200	1,200	—	—	—	750	750	—	—
Local Assistance	—	—	—	15	247	—	5,010	5,010	—	1,477	—	6,469	6,469	—	—
Capital Outlay	2,264	1,415	3,679	—	—	—	—	—	—	—	—	—	—	—	—
Totals, Department of Fish and Game	17,368	101,191	118,559	1,023	21,438	3,438	116,432	119,870	3,156	28,053	3,539	118,137	121,676	3,149	26,546
Wildlife Conservation Board	—	6,665	6,665	162	—	—	2,424	2,424	200	—	—	1,983	1,983	204	—
State Operations	—	4,304	4,304	20,266	—	—	12,620	12,620	33,488	—	—	5,288	5,288	14,669	1,280
Capital Outlay	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Totals, Wildlife Conservation Board	—	10,969	10,969	20,428	—	—	15,044	15,044	33,688	—	—	7,271	7,271	14,873	1,280
Dept of Boating & Waterways	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
State Operations	—	1	1	—	1,126	—	62	62	—	1,552	—	—	—	—	1,601
Local Assistance	—	—	—	—	1,566	—	—	—	—	2,550	—	—	—	—	850
Unclassified	—	29,633	29,633	—	—	—	20,242	20,242	—	—	—	22,378	22,378	—	—
Totals, Dept of Boating & Waterways	—	29,634	29,634	—	2,692	—	20,304	20,304	—	4,102	—	22,378	22,378	—	2,451
California Coastal Commission	5,713	1,107	6,820	—	2,136	4,578	1,932	6,510	—	2,684	4,686	1,965	6,651	—	2,014
State Operations	—	—	—	—	140	—	—	—	—	—	—	—	—	—	—
Local Assistance	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Totals, California Coastal Commission	5,713	1,107	6,820	—	2,276	4,578	1,932	6,510	—	2,684	4,686	1,965	6,651	—	2,014
State Coastal Conservancy	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
State Operations	—	—	—	2,022	—	—	—	—	285	—	—	—	—	—	—
Local Assistance	—	1,000	1,000	679	—	—	—	—	—	—	—	—	—	—	—

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND
FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued
(dollars in thousands)

	Actual 1991-92			Estimated 1992-93			Estimated 1993-94		
	General Fund	Special funds	Budget Total	General Fund	Special funds	Budget Total	General Fund	Special funds	Budget Total
Capital Outlay	—	-521	9,203	—	6,364	13,951	—	7,650	5,241
Totals, State Coastal Conservancy	—	479	11,904	—	6,364	14,236	—	7,650	5,241
Dept of Parks and Recreation	54,382	82,858	137,240	44,938	112,876	157,814	45,537	118,200	163,737
State Operations	—	16,673	40,665	—	11,805	41,742	—	12,500	12,500
Local Assistance	—	3,489	3,489	—	16,003	16,003	—	8,956	8,956
Capital Outlay	54,382	103,020	157,402	44,938	140,684	185,622	45,537	139,656	185,193
Totals, Dept of Parks and Recreation	177	—	177	165	—	165	169	—	169
Santa Monica Mountains Conservancy	—	10,901	10,901	—	10,088	10,088	—	10,000	10,000
State Operations	177	10,901	11,078	165	10,088	10,253	169	10,000	10,169
San Francisco Bay Conserv & Develop Com	1,418	200	1,618	1,307	365	1,672	1,339	360	1,699
State Operations	—	—	—	—	125	125	—	125	125
Delta Protection Commission	26,955	4,766	31,721	15,604	16,584	32,188	15,772	16,570	32,342
Department of Water Resources	—	29,407	29,407	—	3,487	3,487	—	37,041	37,041
State Operations	—	12,748	12,748	—	1,395	1,395	—	5,685	5,685
Local Assistance	26,955	46,921	73,876	15,604	21,466	37,070	15,772	59,296	75,068
Capital Outlay	225,474	—	225,474	252,259	—	252,259	253,825	—	253,825
Totals, Department of Water Resources	199	—	199	—	—	—	227	—	227
General Obligation Bonds-Resources	659,218	781,697	1,440,915	655,740	789,374	1,445,114	626,343	828,508	1,454,851
State Operations	655,845	662,802	1,318,647	654,830	686,764	1,341,594	625,206	693,083	1,318,289
Local Assistance	1,109	51,618	52,727	910	18,889	19,799	1,137	54,225	55,362
Capital Outlay	2,264	37,644	39,908	—	63,479	63,479	—	58,822	58,822
Unclassified	—	29,633	29,633	—	20,242	20,242	—	22,378	22,378
TOTALS, RESOURCES	659,218	781,697	1,440,915	655,740	789,374	1,445,114	626,343	828,508	1,454,851
State Operations	655,845	662,802	1,318,647	654,830	686,764	1,341,594	625,206	693,083	1,318,289
Local Assistance	1,109	51,618	52,727	910	18,889	19,799	1,137	54,225	55,362
Capital Outlay	2,264	37,644	39,908	—	63,479	63,479	—	58,822	58,822
Unclassified	—	29,633	29,633	—	20,242	20,242	—	22,378	22,378
CALIF ENVIRONMENTAL PROTECTION AGENCY	—	2,552	2,552	—	1,552	1,552	—	763	763
Secretary for Environmental Protection	—	—	—	—	—	—	—	—	—
State Operations	—	2,552	2,552	—	1,552	1,552	—	763	763
Local Assistance	—	—	—	—	—	—	—	—	—
Totals, Secretary for Environmental Protection	—	2,552	2,552	—	1,552	1,552	—	763	763
State Air Resources Board	—	78,609	78,609	—	84,595	84,595	—	90,524	90,524
State Operations	—	—	—	—	—	—	—	—	—

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND
FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued
(dollars in thousands)

	Actual 1991-92			Estimated 1992-93			Estimated 1993-94		
	General Fund	Special funds	Budget Total	General Fund	Special funds	Budget Total	General Fund	Special funds	Budget Total
Local Assistance	—	7,511	7,511	—	7,511	7,511	—	7,511	7,511
Totals, State Air Resources Board	—	86,120	86,120	—	92,106	92,106	—	98,035	98,035
Calif Integrated Waste Management Board	—	46,244	46,244	—	55,294	55,294	—	68,805	68,805
State Operations	—	5,354	5,354	—	13,241	13,241	—	19,500	19,500
Local Assistance	—	51,598	51,598	—	68,535	68,535	—	88,305	88,305
Totals, Calif Integrated Waste Management Bd	—	17,947	28,881	—	22,486	32,826	—	23,630	34,074
Department of Pesticide Regulation	10,934	6,510	8,948	—	—	—	—	2,449	9,359
State Operations	2,438	—	—	—	—	—	—	—	—
Local Assistance	—	—	—	—	—	—	—	—	—
Totals, Department of Pesticide Regulation	13,372	24,457	37,829	—	12,789	29,046	—	12,893	43,433
State Water Resources Control Board	33,861	16,158	50,019	31,764	98,589	130,353	38,907	160,507	192,604
State Operations	—	809	809	—	521	521	—	—	76,729
Local Assistance	—	—	—	—	—	—	—	—	—
Totals, State Water Resources Control Board	33,861	16,967	50,828	31,764	99,110	130,874	38,907	160,507	192,604
Department of Toxic Substances Control	672	67,841	68,513	2,818	86,678	89,496	1,118	111,524	112,642
State Operations	—	—	—	—	—	—	—	—	—
Ofc of Environmental Health Hazard Asmt	3,959	1,485	5,444	3,710	2,633	6,343	3,727	2,156	5,883
State Operations	—	—	—	—	—	—	—	—	—
General Obligation Bonds-Environmental	34,732	—	34,732	35,913	—	35,913	35,735	—	35,735
State Operations	—	—	—	—	—	—	—	—	—
Totals, CALIF ENVIRONMENTAL PROTECTION AGENCY	86,596	251,020	337,616	86,994	379,660	466,654	85,570	491,830	577,400
State Operations	84,158	230,836	314,994	84,545	351,827	436,372	83,121	457,909	541,030
Local Assistance	2,438	20,184	22,622	2,449	27,833	30,282	2,449	33,921	36,370
Capital Outlay	—	—	—	—	—	—	—	—	—
Unclassified	—	—	—	—	—	—	—	—	—
HEALTH AND WELFARE	—	—	—	—	—	—	—	—	—
Secretary for Health and Welfare	1,204	—	1,204	1,218	—	1,218	1,243	—	1,243
State Operations	—	25	25	—	—	—	—	—	—
State Council Developmental Disabilities	—	—	—	—	—	—	—	—	—
State Operations	—	—	—	—	—	—	—	—	—
Emergency Medical Services Authority	1,038	346	1,384	1,061	380	1,441	1,089	467	1,556
State Operations	2,934	—	2,934	2,435	—	2,435	2,435	—	2,435
Local Assistance	—	—	—	—	—	—	—	—	—
Totals, Emergency Medical Services Authority	3,972	346	4,318	3,496	380	3,876	3,524	467	3,991
Office Statewide Health Planning-Develop	1,374	26,088	27,462	1,187	26,449	27,636	1,169	25,612	26,781
State Operations	4,085	—	4,085	3,219	—	3,219	2,945	—	2,945
Local Assistance	—	—	—	—	—	—	—	—	—
Totals, Office Statewide Health Planning-Dev.	5,459	26,088	31,547	4,406	26,449	30,855	4,114	25,612	29,726

FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued

(dollars in thousands)

	Actual 1991-92				Estimated 1992-93				Estimated 1993-94						
	General Fund	Special funds	Budget Total	Selected Bond Funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond funds	Federal Funds
Department of Aging															
State Operations	3,909	—	3,909	—	3,612	3,502	—	3,502	—	3,472	3,575	—	3,575	—	3,523
Local Assistance	29,421	—	29,421	—	86,913	28,581	—	28,581	—	86,951	28,693	—	28,693	—	85,712
Totals, Department of Aging	33,330	—	33,330	—	90,525	32,083	—	32,083	—	90,423	32,268	—	32,268	—	89,235
Commission on Aging															
State Operations	204	—	204	—	225	—	—	—	—	238	—	—	—	—	241
Dept of Alcohol and Drug Programs															
State Operations	5,607	2,361	7,968	—	17,793	4,952	2,400	7,352	—	17,848	4,584	2,291	6,875	—	17,113
Local Assistance															
Alcohol Program	33,326	—	33,326	—	45,477	23,544	—	23,544	—	48,236	23,544	—	23,544	—	41,496
Drug Program	32,270	—	32,270	—	93,938	22,996	—	22,996	—	91,092	22,996	—	22,996	—	70,146
Pilot Project Combined Services Program	20,624	—	20,624	—	25,885	31,821	—	31,821	—	58,538	31,932	—	31,932	—	46,288
Totals, Local Assistance	86,220	—	86,220	—	165,300	78,361	—	78,361	—	197,866	78,472	—	78,472	—	157,930
Totals, Dept of Alcohol and Drug Programs	91,827	2,361	94,188	—	183,093	83,313	2,400	85,713	—	215,714	83,056	2,291	85,347	—	175,043
Child Development Pgrms Advisory Commit															
State Operations	233	—	233	—	—	231	—	231	—	—	235	—	235	—	—
Total Department of Health Services															
State Operations	138,263	71,725	209,988	—	195,300	147,871	84,743	232,614	—	279,889	145,599	94,953	240,552	—	227,466
Local Assistance															
Medical Assistance Program	5,778,980	40,639	5,819,619	—	7,040,835	5,454,713	78,457	5,533,170	—	7,098,394	5,330,139	20,287	5,350,426	—	8,664,809
Public Health Services	258,748	298,599	557,347	—	288,333	256,989	327,336	584,325	—	316,101	266,384	314,537	580,921	—	373,412
Totals, Local Assistance	6,037,728	339,238	6,376,966	—	7,329,168	5,711,702	405,793	6,117,495	—	7,414,495	5,596,523	334,824	5,931,347	—	9,038,221
Capital Outlay	—	443	443	—	—	—	—	—	—	—	—	3,027	3,027	—	—
Totals, Total Department of Health Services	6,175,991	411,406	6,587,397	—	7,524,468	5,859,573	490,536	6,350,109	—	7,694,384	5,742,122	432,804	6,174,926	—	9,265,687
California Medical Assistance Commission															
State Operations	736	—	736	—	—	1,026	—	1,026	—	—	1,039	—	1,039	—	—
Major Risk Medical Insurance Board															
State Operations	—	1,089	1,089	—	—	—	1,675	1,675	—	—	—	1,518	1,518	—	—
Local Assistance	—	39,236	39,236	—	—	—	104,892	104,892	—	—	—	86,526	86,526	—	—
Totals, Major Risk Medical Insurance Board	—	40,325	40,325	—	—	—	106,567	106,567	—	—	—	88,044	88,044	—	—
Total Dept of Developmental Services															
State Operations	61,671	280	61,951	—	10,336	51,435	941	52,376	—	11,414	52,308	7,320	59,628	—	11,429
Local Assistance	613,744	2,666	616,410	—	—	536,959	2,141	539,100	—	—	570,301	2,141	572,442	—	—
Capital Outlay	—	1,372	1,372	—	—	—	41	41	—	—	—	4,430	4,430	—	—
Totals, Total Dept of Developmental Services	675,415	4,318	679,733	—	10,336	588,394	3,123	591,517	—	11,414	622,609	13,891	636,500	—	11,429
Total Dept of Mental Health															
State Operations	186,865	2,435	189,300	—	1,799	172,763	139	172,902	—	2,207	183,263	3,247	186,510	—	3,200
Local Assistance	38,029	42,226	80,255	—	23,510	41,849	500	42,349	—	37,928	53,980	500	54,480	—	39,933
Capital Outlay	—	3,436	3,436	—	—	—	548	548	—	—	—	15,748	15,748	—	—
Totals, Total Dept of Mental Health	224,894	48,097	272,991	—	25,309	214,612	1,187	215,799	—	40,135	237,243	19,495	256,738	—	43,133

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND
FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued
(dollars in thousands)

	Actual 1991-92				Estimated 1992-93				Estimated 1993-94			
	General Fund	Special funds	Budget Total	Selected Bond Funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond funds	Federal Funds	General Fund	Special funds
Employment Development Dept												
State Operations	22,832	21,312	44,144	—	551,494	19,313	24,627	43,940	—	682,248	22,936	43,580
Local Assistance	—	—	—	—	4,835,937	—	—	—	—	5,491,005	—	—
Capital Outlay	—	53	53	—	1,457	—	132	132	—	9,745	—	705
Totals, Employment Development Dept	22,832	21,365	44,197	—	5,388,888	19,313	24,759	44,072	—	6,182,998	22,936	44,285
Dept of Rehabilitation												
State Operations	27,663	—	27,663	—	150,850	28,431	—	28,431	—	177,284	29,303	—
Local Assistance	81,432	—	81,432	—	—	75,194	—	75,194	—	—	76,896	—
Totals, Dept of Rehabilitation	109,095	—	109,095	—	150,850	103,625	—	103,625	—	177,284	106,199	—
Dept of Social Services												
State Operations	103,855	118	103,973	—	172,192	116,593	398	116,991	—	198,780	83,385	544
Local Assistance												
SSI/SSP Grants	2,379,063	—	2,379,063	—	—	2,333,701	—	2,333,701	—	—	2,171,251	—
Payments for Children	2,994,789	—	2,994,789	—	3,025,568	3,009,680	—	3,009,680	—	3,080,124	2,439,404	—
Special Adult Programs	2,939	—	2,939	—	4	834	—	834	—	75	423	—
Social Service Programs	515,121	—	515,121	—	691,911	494,424	—	494,424	—	776,182	555,752	—
Refugee Programs	—	—	—	—	59,214	—	—	—	—	51,267	—	—
Community Care Licensing	8,108	—	8,108	—	3,800	7,340	—	7,340	—	3,910	2,756	—
County Administration	323,095	—	323,095	—	752,396	355,231	—	355,231	—	875,700	379,697	—
Totals, Local Assistance	6,223,115	—	6,223,115	—	4,532,893	6,201,210	—	6,201,210	—	4,787,258	5,549,283	—
Totals, Dept of Social Services	6,326,970	118	6,327,088	—	4,705,085	6,317,803	398	6,318,201	—	4,986,038	5,632,668	544
State-Local Realignment												
Local Assistance	—	1,970,817	1,970,817	—	—	—	2,107,144	2,107,144	—	—	—	2,165,138
General Obligation Bonds												
State Operations	5,062	—	5,062	—	—	4,908	—	4,908	—	—	4,766	—
State Mandated Local Costs												
Local Assistance	2,824	—	2,824	—	—	9,641	1	9,642	—	—	110,537	—
Miscellaneous Adjustments												
State Operations	—	—	—	—	—	—	—	—	—	—	—	—
TOTALS, HEALTH AND WELFARE	13,680,048	2,525,266	16,205,314	—	18,086,884	13,243,642	2,762,944	16,006,586	—	19,405,912	12,600,199	2,792,571
State Operations	560,516	125,779	686,295	—	1,110,235	554,491	141,752	696,243	—	1,379,503	530,134	179,532
Local Assistance	13,119,532	2,394,183	15,513,715	—	16,975,192	12,689,151	2,620,471	15,309,622	—	18,017,664	12,070,065	2,589,129
Capital Outlay	—	5,304	5,304	—	1,457	—	721	721	—	9,745	—	23,910
Unclassified	—	—	—	—	—	—	—	—	—	—	—	—

YOUTH AND ADULT CORRECTIONAL AGENCY

See for Youth and Adult Corrections												
State Operations	771	—	771	—	—	851	—	851	—	—	866	—
Dept of Corrections												
State Operations	2,352,402	—	2,352,402	28,625	235	2,342,431	—	2,342,431	49,042	2,211	2,575,202	51,260
Local Assistance												
Transportation of Prisoners	410	—	410	—	—	410	—	410	—	—	410	—

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND

FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued

(dollars in thousands)

	Actual 1991-92				Estimated 1992-93				Estimated 1993-94			
	General Fund	Special funds	Bond Funds	Federal Funds	General Fund	Special funds	Bond funds	Federal Funds	General Fund	Special funds	Total	Selected Bond funds
Returning Fugitives	2,432	—	—	—	2,432	—	—	—	2,432	—	2,432	—
Court Costs and County Charges	6,597	—	—	—	6,597	—	—	—	6,597	—	6,597	—
Asst to Counties for Detentn of Parolees	22,387	—	—	—	22,387	—	—	—	19,598	—	19,598	—
Totals, Local Assistance	31,826	—	—	—	41,637	—	—	—	29,037	—	29,037	—
Capital Outlay	—	-54	196,344	—	—	—	89,739	—	—	—	88,974	—
Totals, Dept of Corrections	2,384,228	-54	2,384,174	235	2,384,068	—	138,781	2,211	2,604,239	—	2,604,239	140,234
Board of Corrections	—	—	—	—	—	—	—	—	—	—	—	217
State Operations	483	1,829	2,312	1,650	511	1,974	2,485	2,236	521	2,014	2,535	1,862
Local Assistance	—	—	—	—	—	—	—	—	—	—	—	—
County Correctional Staff Training	—	11,278	11,278	—	—	8,702	8,702	—	—	10,063	10,063	—
County Correctional Facility Constructn	—	—	—	—	—	—	211,913	—	—	—	—	99,584
Totals, Local Assistance	—	11,278	11,278	—	—	8,702	211,913	—	—	10,063	10,063	99,584
Totals, Board of Corrections	483	13,107	13,590	272,499	511	10,676	214,149	—	521	12,077	12,598	101,446
Board of Prison Terms	—	—	—	—	—	—	—	—	—	—	—	—
State Operations	11,486	—	11,486	—	3,567	—	—	—	4,056	—	4,056	—
Youthful Offender Parole Board	—	—	—	—	—	—	—	—	—	—	—	—
State Operations	2,969	—	2,969	—	3,324	—	—	—	3,363	—	3,363	—
Dept of Youth Authority	—	—	—	—	—	—	—	—	—	—	—	—
State Operations	320,571	—	320,571	369	310,129	—	386	1,206	319,418	—	319,418	3,948
Local Assistance	—	—	—	—	—	—	—	—	—	—	—	1,206
Transportation of Wards	83	—	83	—	92	—	—	—	92	—	92	—
Asst to Counties for Detentn of Parolees	2,989	—	2,989	—	3,027	—	—	—	3,027	—	3,027	—
County Correction Facil -Juvenile Facil	—	—	—	—	—	—	29,271	—	—	—	—	19,869
Totals, Local Assistance	3,072	—	3,072	11,918	3,119	—	29,271	—	3,119	—	3,119	19,869
Capital Outlay	—	—	—	8,868	—	—	6,365	—	—	—	—	10,967
Totals, Dept of Youth Authority	323,643	—	323,643	21,155	313,248	—	36,022	1,206	322,537	—	322,537	34,784
Robert B Presley Institute	—	—	—	—	—	—	—	—	—	—	—	1,206
State Operations	361	—	361	—	381	—	—	—	384	—	384	—
General Obligation Bonds	—	—	—	—	—	—	—	—	—	—	—	—
State Operations	325,254	—	325,254	—	358,779	—	—	—	359,577	—	359,577	—
State Mandated Local Costs	—	—	—	—	—	—	—	—	—	—	—	—
Local Assistance	—	—	—	—	—	—	—	—	20	—	20	—
Miscellaneous Adjustments	—	—	—	—	—	—	—	—	—	—	—	—
State Operations	—	—	—	—	—	—	—	—	-250,000	—	-250,000	—
TOTALS, YOUTH AND ADULT	—	—	—	—	—	—	—	—	—	—	—	—
CORRECTIONAL AGENCY	3,049,195	13,053	3,062,248	518,623	3,064,729	10,676	388,952	3,417	3,045,563	12,077	3,057,640	276,464
State Operations	3,014,297	1,829	3,016,126	30,644	3,019,973	1,974	51,564	3,417	3,013,387	2,014	3,015,401	57,070
Local Assistance	34,898	11,278	46,176	282,767	44,756	8,702	241,184	—	32,176	10,063	42,239	119,453
Capital Outlay	—	-54	-54	205,212	—	—	96,104	—	—	—	—	99,941
Unclassified	—	—	—	—	—	—	—	—	—	—	—	—

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND
FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued

(dollars in thousands)

	Actual 1991-92			Estimated 1992-93			Estimated 1993-94		
	General Fund	Special funds	Budget Total	General Fund	Special funds	Budget Total	General Fund	Special funds	Budget Total
EDUCATION									
K thru 12 Education									
Sec fr Child Dev & Education, K-12	1,447	—	1,447	1,740	—	1,740	1,979	—	1,979
State Operations	—	—	—	—	—	—	5,000	—	5,000
Local Assistance	—	—	—	—	—	—	—	—	—
Totals, Sec fr Child Dev & Education, K-12	1,447	—	1,447	1,740	—	1,740	6,979	—	6,979
Department of Education									
Dept of Education—Headquarters									
State Operations	86,597	3,115	89,712	76,773	3,167	79,940	77,376	3,070	80,446
Local Assistance									
Adult Education	302,519	—	302,519	1,001	—	1,001	422,678	—	422,678
Apportionments-County Offices	124,184	—	124,184	98,573	—	98,573	44,722	—	44,722
Apportionments-District	10,572,998	9,941	10,582,939	9,986,773	9,941	9,996,714	7,158,689	9,941	7,168,630
Apportionments-ROC/P	248,496	—	248,496	—	—	—	—	—	—
Child Development	324,838	—	324,838	18,191	—	18,191	489,621	—	489,621
Child Nutrition	64,867	—	64,867	727,329	—	727,329	69,424	—	69,424
Class Size Reduction	31,000	—	31,000	9,052	—	9,052	864,143	—	864,143
Consolidated Categorical Item	—	—	—	4,503,284	—	4,503,284	3,691,996	—	3,691,996
Desegregation	505,268	—	505,268	16,593	—	16,593	2,380	—	2,380
Driver Training	10,000	—	10,000	—	—	—	—	—	—
Drugs & Tobacco Use Prevention Education	4,000	—	4,000	—	—	—	—	—	—
Earthquake Relief	—	—	—	38,709	—	38,709	41,752	—	41,752
Immigration Reform	—	—	—	—	—	—	—	—	—
Indian Education	2,306	—	2,306	3,118	—	3,118	25,381	—	25,381
Instructional Materials	134,174	—	134,174	—	—	—	366	—	366
Special Education	1,551,985	—	1,551,985	93,213	—	93,213	50,206	—	50,206
Specialized Instruct & School Improvmt	756,249	804	757,053	675,095	679	675,774	73,162	679	73,841
Staff Development	105,079	—	105,079	15,711	—	15,711	8,500	—	8,500
Supplemental Grants	185,400	—	185,400	—	—	—	—	—	—
Transportation	343,682	—	343,682	—	—	—	—	—	—
Vocational Education	13,490	—	13,490	84,302	—	84,302	101,964	—	101,964
Year-Round School Incentives	66,713	—	66,713	11,116	—	11,116	9,272	—	9,272
Totals, Local Assistance	15,335,423	47,517	15,382,940	14,802,264	50,806	14,853,070	12,021,016	32,444	12,053,460
Totals, Dept of Education—Headquarters	15,422,020	50,632	15,472,652	14,879,037	53,973	14,933,010	12,098,392	35,514	12,133,906
State Library									
State Operations	10,679	—	10,679	12,236	—	12,236	12,385	—	12,385
Local Assistance	23,614	—	23,614	22,308	—	22,308	22,308	—	22,308
Totals, State Library	34,293	—	34,293	34,544	—	34,544	34,693	—	34,693
Calif State Summer School for the Arts									
State Operations	580	—	580	620	—	620	625	—	625
Contributions to Teachers Retire Fund									
Local Assistance	485,137	—	485,137	690,976	—	690,976	777,387	—	777,387
Retirement Costs for Community Colleges									
Local Assistance	—	—	—	—	—	—	—	—	—
Totals, Retirement Costs for Community Colleges	—	—	—	—	—	—	—	—	—

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND

FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued

(dollars in thousands)

	Actual 1991-92				Estimated 1992-93				Estimated 1993-94			
	General Fund	Special funds	Budget Total	Selected Bond Funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond Funds	Federal Funds	General Fund	Special funds
Calif State Council on Vocational Educ												
State Operations	91	—	91	—	225	91	—	91	—	241	93	—
Calif Occupational Info Coord Committee												
State Operations	—	—	—	—	261	—	—	—	—	471	—	—
School Facilities Aid Program												
Local Assistance	21,103	-12,610	8,493	12,976	628	-1,886	-32,341	-34,227	2,587,262	170	42,722	-12,371
Commission on Teacher Credentialing												
State Operations	—	13,217	13,217	—	—	—	12,374	12,374	—	—	12,746	—
Local Assistance	—	—	—	—	—	—	—	—	—	—	2,000	—
Totals, Commission on Teacher Credentialing ..	—	13,217	13,217	—	—	—	12,374	12,374	—	—	2,000	—
General Obligation Bonds												
State Operations	377,124	—	377,124	—	—	486,900	—	486,900	—	—	561,572	—
State Mandated Local Costs												
Local Assistance	117,544	—	117,544	—	—	191,310	1,900	193,210	—	—	196,785	—
Totals, K thru 12 Education	16,416,016	51,239	16,467,255	13,180	1,921,525	16,221,628	35,906	16,257,534	2,587,473	2,176,722	13,651,827	35,889
Higher Education-Community Colleges												
Bd of Governors of Calif Comm Colleges												
State Operations	12,209	—	12,209	703	—	9,986	—	9,986	767	100	10,232	—
Local Assistance												
Apportionments for Community Colleges ..	1,528,160	1,754	1,529,914	—	—	1,075,931	1,754	1,077,685	—	—	644,826	1,754
Prop 98 Reversion Account -Non-Prop 98 ..	—	—	—	—	—	—	—	—	—	—	41,300	—
Earthquake Carryover -Non-Prop 98	—	—	—	—	—	84	51	135	—	—	—	—
Extended Opportunity Program	53,289	—	53,289	—	—	70,185	—	70,185	—	—	84,233	—
Disabled Students	31,706	—	31,706	—	—	33,852	—	33,852	—	—	34,394	—
Matriculation	39,242	—	39,242	—	—	41,867	—	41,867	—	—	42,537	—
Support for Academic Senate	379	—	379	—	—	452	—	452	—	—	452	—
Faculty and Staff Diversity	2,012	—	2,012	—	—	1,859	—	1,859	—	—	1,859	—
Faculty and Staff Development	4,900	—	4,900	—	—	5,233	—	5,233	—	—	5,233	—
Instructional Improvement	736	—	736	—	—	736	—	736	—	—	736	—
Economic Development	5,556	—	5,556	—	—	6,973	—	6,973	—	1,400	6,973	—
Transfer Education and Articulation	1,009	—	1,009	—	—	1,843	—	1,843	—	—	1,843	—
Underrep Students/Vocational Training ...	1,270	—	1,270	—	—	205	—	205	—	—	220	—
Deferred Maintenance	451	—	451	—	—	8,700	—	8,700	—	—	8,700	—
Deferred Maintenance Carryover -Non-P98	8,056	—	8,056	—	—	8,230	—	8,230	—	—	—	—
Hazardous Substances	8,000	—	8,000	—	—	8,000	—	8,000	5,000	—	8,000	5,000
AB 449 -Portables for LA Southwest	—	—	—	—	—	856	—	856	—	—	—	—
AB 449-Portables for LA South-Carryover	—	—	—	—	—	428	—	428	—	—	—	—
Accountability/MIS	—	—	—	—	—	4,333	—	4,333	—	—	—	—
Foster Parent Training Programs	—	—	—	—	—	180	—	180	—	—	686	—
Totals, Local Assistance	1,684,766	1,754	1,686,520	—	—	1,269,947	1,805	1,271,752	5,000	1,400	881,992	1,754
Capital Outlay	—	—	—	31,146	—	—	—	—	195,144	—	—	—
Totals, Bd of Governors of Calif Comm Coll ..	1,696,975	1,754	1,698,729	31,849	—	1,279,933	1,805	1,281,738	200,911	1,500	892,224	1,754
General Obligation Bonds												
State Operations	57,459	—	57,459	—	—	59,565	—	59,565	—	—	57,999	—

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND
FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued
(dollars in thousands)

	Actual 1991-92				Estimated 1992-93				Estimated 1993-94						
	General Fund	Special funds	Budget Total	Selected Bond Funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond funds	Federal Funds
State Mandated Local Costs															
Local Assistance	5,327	—	5,327	—	—	1,820	—	1,820	—	—	1,508	—	1,508	—	—
Retirement Costs															
Local Assistance	43,323	—	43,323	—	—	61,704	—	61,704	—	—	69,421	—	69,421	—	—
Totals, Higher Education-Community Colleges	1,803,084	1,754	1,804,838	31,849	—	1,403,022	1,805	1,404,827	200,911	1,500	1,021,152	1,754	1,022,906	153,306	3,000
Higher Education-UC, CSU and Other															
Cal Postsecondary Education Commission															
State Operations	3,025	—	3,025	—	254	2,498	—	2,498	—	297	2,549	—	2,549	—	300
Local Assistance	—	—	—	—	4,868	—	—	—	—	5,728	—	—	—	—	5,728
Totals, Cal Postsecondary Education Comm	3,025	—	3,025	—	5,122	2,498	—	2,498	—	6,025	2,549	—	2,549	—	6,028
Total University of California															
State Operations	2,105,560	27,908	2,133,468	—	3,283,193	1,878,547	24,660	1,903,207	—	3,343,459	1,743,570	26,543	1,770,113	—	3,480,759
Capital Outlay	—	—	—	59,164	—	—	—	—	154,722	—	—	—	—	136,391	—
Totals, Total University of California	2,105,560	27,908	2,133,468	59,164	3,283,193	1,878,547	24,660	1,903,207	154,722	3,343,459	1,743,570	26,543	1,770,113	136,391	3,480,759
Hastings College of Law															
State Operations	13,642	—	13,642	—	—	12,038	—	12,038	—	—	11,144	—	11,144	—	—
California State University															
State Operations	1,634,367	416,745	2,051,112	2,201	218,657	1,500,954	491,576	1,992,530	14,632	193,146	1,433,244	490,579	1,923,823	5,000	225,540
Capital Outlay	—	—	—	80,744	—	—	—	—	165,216	—	—	—	—	145,725	—
Totals, California State University	1,634,367	416,745	2,051,112	82,945	218,657	1,500,954	491,576	1,992,530	179,848	193,146	1,433,244	490,579	1,923,823	150,725	225,540
California Maritime Academy															
State Operations	6,518	—	6,518	—	410	6,725	—	6,725	—	401	5,591	—	5,591	—	401
Capital Outlay	—	—	—	—	—	—	—	—	125	—	—	—	—	100	—
Totals, California Maritime Academy	6,518	—	6,518	—	410	6,725	—	6,725	125	401	5,591	—	5,591	100	401
Council for Private Postsecn & Voc Educ															
State Operations	—	2,223	2,223	—	922	—	2,781	2,781	—	1,158	—	3,175	3,175	—	1,177
Student Aid Commission															
State Operations	3,145	107	3,252	—	344,203	3,164	115	3,279	—	322,941	3,094	—	3,094	—	322,941
Local Assistance	168,975	—	168,975	—	11,242	143,784	—	143,784	—	12,847	149,113	—	149,113	—	13,347
Totals, Student Aid Commission	172,120	107	172,227	—	355,445	146,948	115	147,063	—	335,788	152,207	—	152,207	—	336,288
General Obligation Bonds															
State Operations	92,885	—	92,885	—	—	100,999	—	100,999	—	—	106,523	—	106,523	—	—
Totals, Higher Education-UC, CSU and Other ..	4,028,117	446,983	4,475,100	142,109	3,863,749	3,648,709	519,132	4,167,841	334,695	3,879,977	3,454,828	520,297	3,975,125	287,216	4,050,193
TOTALS, EDUCATION	22,247,217	499,976	22,747,193	187,138	5,785,274	21,273,359	556,843	21,830,202	3,123,079	6,058,199	18,127,807	557,940	18,685,747	453,471	6,207,979
State Operations	4,405,328	463,315	4,868,643	3,108	3,909,278	4,152,836	534,673	4,687,509	15,610	3,929,382	4,027,976	536,113	4,564,089	5,993	4,097,511
Local Assistance	17,841,889	36,661	17,878,550	12,976	1,875,996	17,120,523	22,170	17,142,693	2,592,262	2,128,817	14,099,831	21,827	14,121,658	17,734	2,110,468
Capital Outlay	—	—	—	171,054	—	—	—	—	515,207	—	—	—	—	429,744	—
Unclassified	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND
FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued
(dollars in thousands)

	Actual 1991-92				Estimated 1992-93				Estimated 1993-94						
	General Fund	Special funds	Budget Total	Selected Bond Funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond funds	Federal Funds
California Auctioneer Commission															
State Operations	—	329	329	—	—	—	130	130	—	—	—	—	—	—	—
California Horse Racing Board															
State Operations	—	7,928	7,928	—	—	—	7,063	7,063	—	—	—	6,876	6,876	—	—
California Exposition and Fairs															
State Operations	—	315	315	—	—	—	302	302	—	—	—	265	265	—	—
Total Department Food and Ag															
State Operations	51,920	57,518	109,438	—	1,807	47,384	65,405	112,789	—	2,643	47,992	64,923	112,915	—	3,603
Local Assistance	6,664	54,817	61,481	—	—	5,705	44,742	50,447	—	—	5,705	48,962	54,667	—	—
Capital Outlay	—	449	449	—	—	—	—	—	—	—	—	543	543	—	—
Totals, Total Department Food and Ag	58,584	112,784	171,368	—	1,807	53,089	110,147	163,236	—	2,643	53,697	114,428	168,125	—	3,603
Fair Political Practices Commission															
State Operations	5,056	—	5,056	—	—	4,382	—	4,382	—	—	4,300	—	4,300	—	—
Political Reform Act of 1974															
State Operations	—	—	—	—	—	—	—	—	—	—	2,010	—	2,010	—	—
Public Utilities Commission															
State Operations	—	80,407	80,407	—	177	—	75,815	75,815	—	130	—	78,028	78,028	—	130
Capital Outlay	—	140	140	—	—	—	—	—	—	—	—	—	—	—	—
Totals, Public Utilities Commission	—	80,547	80,547	—	177	—	75,815	75,815	—	130	—	78,028	78,028	—	130
Board of Control															
State Operations	1,001	67,724	68,725	—	35,325	828	69,660	70,488	—	15,808	844	73,600	74,444	—	15,808
Commission on State Finance															
State Operations	842	—	842	—	—	710	—	710	—	—	720	—	720	—	—
Comm on Calif State Govt Org & Economy															
State Operations	519	—	519	—	—	455	—	455	—	—	463	—	463	—	—
Membership in Interstate Organizations															
State Operations	1,104	—	1,104	—	—	584	—	584	—	—	584	—	584	—	—
Commission on the Status of Women															
State Operations	487	—	487	—	—	461	—	461	—	—	473	—	473	—	—
California Law Revision Commission															
State Operations	536	—	536	—	—	460	—	460	—	—	470	—	470	—	—
Commission on Uniform State Laws															
State Operations	117	—	117	—	—	103	—	103	—	—	92	—	92	—	—
Office of the Auditor General															
State Operations	—	—	—	—	—	5,000	—	5,000	—	—	7,500	—	7,500	—	—
Department of Finance															
State Operations	30,702	—	30,702	—	—	21,916	—	21,916	—	—	21,382	—	21,382	—	—
Commission on State Mandates															
State Operations	544	—	544	—	—	495	—	495	—	—	505	—	505	—	—
Office of Administrative Law															
State Operations	2,538	—	2,538	—	—	2,098	—	2,098	—	—	2,138	—	2,138	—	—
Department of Economic Opportunity															
State Operations	76	—	76	—	7,153	63	—	63	—	7,144	63	—	63	—	7,058

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND
FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued

(dollars in thousands)

	Actual 1991-92				Estimated 1992-93				Estimated 1993-94			
	General Fund	Special funds	Budget Total	Selected Bond Funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond funds	Federal Funds	General Fund	Special funds
Local Assistance	—	—	—	—	86,675	—	—	—	—	144,406	—	—
Totals, Department of Economic Opportunity ..	76	—	76	—	93,828	63	—	63	—	151,550	63	—
Military Department	21,178	41	21,219	—	20,894	16,538	150	16,688	—	25,556	16,573	150
State Operations	—	1,707	1,707	—	17,032	—	454	454	—	38,514	—	7,656
Capital Outlay	—	—	—	—	409,300	—	—	—	—	415,103	—	—
Unclassified	—	—	—	—	—	—	—	—	—	—	—	—
Totals, Military Department	21,178	1,748	22,926	—	447,226	16,538	604	17,142	—	479,173	16,573	7,806
Totals, General Administration	348,856	357,153	706,009	—	660,097	297,774	352,940	650,714	—	726,507	306,961	371,071
Local Government Aid	—	—	—	—	—	—	—	—	—	—	—	—
Tax Relief	—	—	—	—	—	—	—	—	—	—	—	—
Local Assistance	2,714	—	2,714	—	—	2,291	—	2,291	—	—	2,230	—
Senior Citizens Property Tax Assistance	10,080	—	10,080	—	—	12,000	—	12,000	—	—	14,500	—
Senior Citizens Property Tax Deferral	14,092	—	14,092	—	—	13,443	—	13,443	—	—	10,757	—
Senior Citizens Renters Tax Assistance	357,330	—	357,330	—	—	360,000	—	360,000	—	—	363,000	—
Homeowners' Property Tax Relief	13,920	—	13,920	—	—	14,400	—	14,400	—	—	14,400	—
Subventions for Open Space	412,436	—	412,436	—	—	30,000	—	30,000	—	—	—	—
Renters' Tax Relief	380	—	380	—	—	288	—	288	—	—	370	—
Substandard Housing	—	—	—	—	—	—	—	—	—	—	—	—
Totals, Local Assistance	810,952	—	810,952	—	—	432,422	—	432,422	—	—	405,257	—
Local Government Financing	23,525	—	23,525	—	—	13,391	—	13,391	5,000	—	5,000	—
Shared Revenues	—	—	—	—	—	—	—	—	—	—	—	—
Apportionment Hwy Prop Rental Receipts	—	3,192	3,192	—	—	—	3,500	3,500	—	—	—	—
Local Assistance	—	—	—	—	—	—	—	—	—	—	—	—
Apportionment Off Highway License Fees	—	857	857	—	—	—	850	850	—	—	850	—
Local Assistance	—	—	—	—	—	—	—	—	—	—	—	—
Apportionment Fed Receipts Flood Control	—	—	—	—	218	—	—	—	—	250	—	250
Local Assistance	—	—	—	—	—	—	—	—	—	—	—	—
Apportionment Fed Receipts Forest Res	—	—	—	—	—	—	—	—	—	—	—	—
Local Assistance	—	—	—	—	56,045	—	—	—	—	56,000	—	—
Apportionment Fed Receipts Grazing Land	—	—	—	—	92	—	—	—	—	100	—	—
Local Assistance	—	—	—	—	—	—	—	—	—	—	—	—
Apportionment Fed Potash Lease Rentals	—	—	—	—	3,500	—	—	—	—	3,500	—	—
Local Assistance	—	—	—	—	—	—	—	—	—	—	—	—
Apportionment of Trailer Coach Fees	—	12,187	12,187	—	—	—	2,000	2,000	—	—	—	—
Local Assistance	—	—	—	—	—	—	—	—	—	—	—	—
Apportionment Motor Vehicle License Fee	—	2,092,477	2,092,477	—	—	—	2,169,494	2,169,494	—	—	—	—
Local Assistance	—	—	—	—	—	—	—	—	—	—	—	—
Apportionment Cigarette Tax	—	28,819	28,819	—	—	—	4,534	4,534	—	—	—	—
Local Assistance	—	—	—	—	—	—	—	—	—	—	—	—
Apportionment Tideland Revenues	239	—	239	—	—	250	—	250	—	—	250	—
Local Assistance	—	—	—	—	—	—	—	—	—	—	—	—
Apportionment for County Roads	—	290,376	290,376	—	—	—	281,283	281,283	—	—	—	—
Local Assistance	—	—	—	—	—	—	—	—	—	—	—	—

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND

FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued

(dollars in thousands)

	Actual 1991-92				Estimated 1992-93				Estimated 1993-94			
	General Fund	Special funds	Budget Total	Selected Bond Funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond funds	Federal Funds	General Fund	Special funds
Apportionment for City Streets												
Local Assistance	—	210,611	210,611	—	—	—	207,697	207,697	—	—	—	212,518
Apportionment County Road & City Street												
Local Assistance	—	133,070	133,070	—	—	—	125,518	125,518	—	—	—	128,194
Apportionment for Streets and Highway												
Local Assistance	—	213,170	213,170	—	—	—	243,818	243,818	—	—	—	280,176
Apportionment of Geothermal Res Develop												
Local Assistance	—	2,879	2,879	—	—	—	2,667	2,667	—	—	—	2,667
Totals, Shared Revenues	834,716	2,987,638	3,822,354	—	59,855	446,063	3,041,361	3,487,424	5,000	59,850	410,507	3,042,172
Totals, Local Government Aid	834,716	2,987,638	3,822,354	—	59,855	446,063	3,041,361	3,487,424	5,000	59,850	410,507	3,042,172
Debt Service												
Payment of Interest on PMIA Loans	7,442	—	7,442	—	—	7,000	—	7,000	—	—	7,000	—
Payment of Interest on Gen Fund Loans	233,285	—	233,285	—	—	295,000	—	295,000	—	—	295,000	—
Totals, Debt Service	240,727	—	240,727	—	—	302,000	—	302,000	—	—	302,000	—
Statewide Distributed Costs												
State Mandated Local Costs	7,807	1,101	8,908	—	—	16,924	35	16,959	—	—	18,150	433
Local Assistance	—	—	—	—	—	31,030	—	31,030	—	—	26,445	—
General Obligation Bonds	29,326	—	29,326	—	—	—	—	—	—	—	—	—
Totals, Statewide Distributed Costs	37,133	1,101	38,234	—	—	47,954	35	47,989	—	—	44,595	433
Statewide Expenditures and Savings												
Health Benefits for Annuitants	266,517	—	266,517	—	—	298,175	—	298,175	—	—	330,068	—
Equy Clm Bd Control, Slmmts by Justice	6,948	1,583	8,531	—	20	2,839	1,123	3,962	68	72	5,001	68
SF-Oakland Bay Bridge & I-880 Disast Fnd	—	16,264	16,264	—	—	—	—	—	—	—	—	—
Local Assistance	—	—	—	—	—	—	—	—	—	—	—	—
Augmentation for Employee Compensation	—	—	—	—	—	6,000	2,000	8,000	—	—	134,000	52,000
Payment of Specified Attorney Fees	1,445	135	1,580	—	4	1,445	150	1,595	—	—	1,445	150
Reserve for Contingencies or Emergency	—	—	—	—	—	1,500	1,500	3,000	—	—	1,500	1,500
Unallocated Capital Outlay	—	300	300	—	—	—	150	150	—	—	354	300
Capital Outlay	—	—	—	—	—	—	—	—	—	—	—	—
Reserve for Encumbrances	—	—	—	—	—	—	—	—	—	—	—	—
Unclassified	—	—	—	—	—	—	—	—	—	—	—	—
Statewide Gen Adm Exp -Pro Rata	—	—	—	—	—	—	—	—	—	—	—	—
State Operations	—	—	—	—	—	—	—	—	—	—	—	—
General Fund Credits From Federal Funds	—	—	—	—	—	—	—	—	—	—	—	—
State Operations	—	—	—	—	—	—	—	—	—	—	—	—
Various Retirement Savings Proposals	—	—	—	—	—	—	—	—	—	—	—	—
State Operations	—	—	—	—	—	—	—	—	—	—	—	—

Schedule 9

COMPARATIVE STATEMENT OF EXPENDITURES BY ORGANIZATION UNIT, CHARACTER, FUNCTION AND FUND
FISCAL YEARS 1991-92, 1992-93, AND 1993-94--Continued

(dollars in thousands)

	Actual 1991-92				Estimated 1992-93				Estimated 1993-94			
	General Fund	Special funds	Budget Total	Selected Bond Funds	Federal Funds	General Fund	Special funds	Budget Total	Selected Bond Funds	Federal Funds	General Fund	Special funds
Estimated Unidentifiable Savings												
State Operations	—	—	—	—	—	-5,000	—	-5,000	—	—	-5,000	—
Local Assistance	—	—	—	—	—	-70,000	—	-70,000	—	—	-45,000	—
Totals, Estimated Unidentifiable Savings	—	—	—	—	—	—	—	—	—	—	—	—
Unallocated Statewide Reductions	—	—	—	—	—	-75,000	—	-75,000	—	—	-50,000	—
State Operations	—	—	—	—	—	—	—	—	—	—	-197,000	—
Various Departments	—	—	—	—	—	—	—	—	—	—	—	—
Local Assistance	—	—	—	—	—	—	—	—	—	—	—	—
Totals, Statewide Expenditures and Savings	39,112	18,554	57,666	—	24	-481,630	-47,264	-528,894	68	81,696	3,434	54,544
TOTALS, GENERAL GOVERNMENT	1,500,544	3,364,446	4,864,990	—	719,976	612,161	3,347,072	3,959,233	5,068	868,053	1,067,497	3,468,220
State Operations	624,835	263,651	888,486	—	87,639	176,580	220,249	396,829	68	72,691	638,892	329,740
Local Assistance	917,122	3,098,199	4,015,321	—	206,005	435,581	3,126,219	3,561,800	5,000	341,745	428,251	3,129,981
Capital Outlay	—	2,596	2,596	—	17,032	—	604	604	—	38,514	354	8,499
Unclassified	-41,413	—	-41,413	—	409,300	—	—	—	—	415,103	—	—
GRAND TOTAL	10,479,280	4,747,936	15,226,216	65,784	5,655,362	9,815,551	4,974,056	14,789,607	119,818	5,926,484	10,147,528	5,354,158
State Operations	32,854,954	6,060,799	38,915,653	1,215,763	19,701,953	31,006,320	6,452,009	37,458,329	3,816,545	21,271,546	27,185,156	6,513,547
Local Assistance	35,264	354,205	389,469	478,923	955,685	—	408,165	408,165	877,026	1,436,962	354	467,898
Capital Outlay	—	29,633	-11,780	—	409,300	—	20,242	20,242	—	415,103	—	22,378
Unclassified	43,326,985	11,192,573	54,519,558	1,760,470	26,722,300	40,821,871	11,854,472	52,676,343	4,813,389	29,050,095	37,333,038	12,357,981
BUDGET ACT TOTALS	41,486,166	4,617,873	—	302,404	22,073,545	37,875,559	5,154,891	—	794,233	24,481,879	34,909,565	5,787,386
State Operations	9,256,363	4,228,546	—	43,628	2,109,565	8,754,512	4,460,877	—	55,434	2,358,264	8,792,221	4,843,556
Local Assistance	32,196,803	250,094	—	189,565	19,482,257	29,121,047	454,425	—	272,326	21,029,874	26,117,344	544,792
Capital Outlay	33,000	139,233	—	69,211	481,723	—	239,589	—	466,473	1,093,741	—	399,038
STATUTORY APPROPRIATIONS	581,125	5,635,098	—	587,362	115,061	724,455	5,938,439	—	3,369,581	138,370	796,852	5,917,620
State Operations	-14,479	468,008	—	10,978	2,122	12,341	495,698	—	17,084	10,300	9,879	493,989
Local Assistance	595,604	5,137,381	—	554,166	112,939	712,114	5,421,559	—	3,264,470	128,070	786,619	5,401,253
Capital Outlay	—	76	—	22,218	—	—	940	—	88,027	—	354	—
Unclassified	—	29,633	—	—	—	—	20,242	—	—	—	—	22,378
CONSTITUTIONAL APPROPRIATIONS	1,198,220	—	—	—	—	1,501,289	—	—	—	—	1,590,289	—
State Operations	1,198,220	—	—	—	—	1,501,289	—	—	—	—	1,590,289	—
OTHER APPROPRIATIONS	61,474	939,602	—	870,704	4,533,694	720,568	761,142	—	649,575	4,429,846	36,332	652,975
State Operations	38,176	51,382	—	11,178	3,543,675	-452,591	17,481	—	47,300	3,557,920	-244,861	16,613
Local Assistance	62,447	673,324	—	472,032	106,757	1,173,159	576,025	—	279,749	113,602	281,193	567,502
Capital Outlay	2,264	214,896	—	387,494	473,962	—	167,636	—	322,526	343,221	—	68,860
Unclassified	-41,413	—	—	—	409,300	—	—	—	—	415,103	—	—

Schedule 10

SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1991, 1992, 1993 AND 1994
(dollars in thousands)

<i>Fund</i>	<i>Reserves June 30, 1991</i>	<i>Actual Income 1991-92</i>	<i>Actual Expenditures 1991-92</i>	<i>Reserves June 30, 1992</i>	<i>Estimated Income 1992-93</i>	<i>Estimated Expenditures 1992-93</i>	<i>Reserves June 30, 1993</i>	<i>Estimated Income 1993-94</i>	<i>Estimated Expenditures 1993-94</i>	<i>Reserves June 30, 1994</i>
GENERAL FUND	-919,610	42,026,493	43,326,984	-2,220,101	40,941,628	40,821,879	-2,100,352	39,874,570	37,333,038	441,180
SPECIAL FUNDS										
SPECIAL ACCOUNTS:										
Property Acquisition Law Money Account	587	1,167	1,212	542	1,210	1,487	265	1,138	1,225	178
Motor Vehicle Parking Facility Money Acct	1,871	2,205	3,697	379	4,880	5,122	137	4,897	4,759	275
Access for Handicapped Account	2,097	-786	1,282	29	1,330	1,287	72	1,576	1,312	336
Boxers Pension Account	—	—	—	—	—	20	—	—	20	—
Hazardous Materials Enforcement Train Acct	—	—	—	—	5	—	5	5	—	10
Attorney General Antitrust Account	782	54	503	333	156	489	—	501	500	1
Federal Receipts Acct. HWCA	—	—	—	—	3,000	—	3,000	2,200	5,200	—
Hazardous Waste Control Account	7,216	47,651	47,834	7,033	53,318	51,758	8,593	78,750	87,343	—
Subsequent Injuries Money Account	868	2,288	3,116	40	3,415	3,415	40	3,415	3,415	40
Fingerprint Fees Account	1,890	17,153	19,040	3	15,777	15,780	—	16,938	16,900	38
Site Remediation Account	—	—	—	—	—	—	—	5,375	5,375	—
Emergency Telephone Number Acct. State	13,518	55,644	56,762	12,400	60,559	58,580	14,379	52,051	61,774	4,656
Farm Labor Contractors Special Account	274	26	—	300	27	50	277	10,868	3,800	254
Leaking Undergrnd Stor Tank Cost Recovery	—	—	—	—	15,360	19,246	—	21,440	21,597	—
Motor Vehicle Insurance Account, State	2,677	13,961	12,595	4,043	—	—	—	—	—	—
Tax Relief and Refund Account	—	—	56	-56	—	53	-109	2,739	2,739	-109
Nuclear Planning Assessment Special Ac	-82	2,697	2,505	110	2,526	2,636	—	2,739	2,739	—
Energy Conservation Assistance Ac, State	14,357	-5,312	3,275	5,770	-4,600	-1,068	2,238	2,754	4,876	116
Geothermal Resources Development Account	—	5,036	5,021	15	4,667	4,667	15	4,667	4,667	15
Surface Mining and Reclamation Account	922	2,000	2,095	827	1,741	1,826	742	2,000	1,872	870
Special Account for Capital Outlay	18,525	38,006	73,288	-16,757	96,986	17,393	62,836	41,493	101,280	3,049
Occupational Lead Poisoning Prev Acct,GF	—	844	—	844	1,232	1,422	654	1,250	1,630	274
Export Document Program Fund	—	—	—	—	—	—	—	141	121	20
Auditor General Fund	847	—	—	847	—	—	—	—	—	847
Dept of Justice Sexual Habitual Offender	—	—	—	—	804	494	310	1,575	1,592	293
Large Water Systems Account	—	4,001	3,965	36	3,760	3,796	—	—	—	—
Commodity Merchant Account	113	110	185	38	—	—	38	—	—	38
Mine Reclamation Account	—	974	936	38	913	889	62	1,093	1,074	81
Seismic Hazard Identification Fund	—	873	595	278	1,740	1,395	623	1,200	1,150	673
Real Estate Appraisers Regulation Fund	553	7,025	2,051	5,527	5,745	1,856	9,416	794	2,058	8,152
Clean Fuels Account	175	—	174	1	—	—	1	—	—	1
Hazardous Waste Mgmt Planning Subaccount	14	—	11	3	—	—	3	—	—	3
Local Jurisdiction Energy Assistance	11,167	229	9,442	1,954	70	1,179	845	70	-388	1,303
Air Toxics Inventory and Assessment Acct	413	3,266	3,393	286	4,420	4,287	153	5,536	5,627	62
Solid Waste Disp Site Clnup & Maintnc Ac	10,291	21,643	13,284	18,650	6,953	11,588	14,015	20,600	34,603	12
Underground Storage Tank Tester Account	16	5	15	6	89	90	5	90	85	10
Assistance for Fire Equipment Acct,State	167	85	127	125	91	100	116	32	100	48
Supercomputer Center Account	—	2,000	2,000	—	1,700	1,700	—	—	—	—
Underground Storage Tank Cleanup Fund	19,099	79,356	4,983	93,472	80,828	78,097	96,203	81,266	134,204	43,265
Petro Underground Storage Tank Financ Acct	5,572	4,199	1,704	8,067	3,997	4,074	7,990	4,707	3,448	9,249
Seismic Gas Valve Cert Fee Acct	—	4	—	4	72	76	—	76	76	—
Manufactured Home License Fee Account	—	14,356	14,356	—	4,159	4,159	—	2,203	2,203	—

SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1991, 1992, 1993 AND 1994--Continued
(dollars in thousands)

Fund	Reserves June 30, 1991	Actual Income 1991-92	Actual Expenditures 1991-92	Reserves June 30, 1992	Estimated Income 1992-93	Estimated Expenditures 1992-93	Reserves June 30, 1993	Estimated Income 1993-94	Estimated Expenditures 1993-94	Reserves June 30, 1994
Elevator Safety Account	1,989	4,395	4,694	1,690	5,078	3,769	2,999	5,186	4,347	3,838
Pressure Vessel Account	630	3,230	3,860	—	3,760	3,744	16	3,862	3,813	65
Hazardous Substance Subaccount	19,980	39,440	41,692	17,728	31,711	47,168	2,271	2,736	5,007	—
Mortgage Bd & Tax Credit Alloc Fee Acct	2,991	3,614	1,182	5,023	1,589	1,671	4,941	1,864	1,648	5,157
Site Operation and Maintenance Account	2,527	20	53	2,494	2	152	2,344	10	137	2,217
Dealers' Record of Sale Acct	657	6,475	6,233	899	7,019	7,740	178	7,700	7,396	482
Public Util Comm Transport Reimb Acct	7,878	6,319	7,507	6,690	6,528	8,452	4,766	6,585	8,753	2,598
Publ Utilities Comm Utilities Reimb Acct	10,611	45,290	48,405	7,496	46,970	55,586	-1,120	47,070	45,468	482
R. Z'berg Urban Open Space Rec Prog Acct	1,580	—	508	1,072	—	528	544	—	544	—
Energy Resources Programs Account	7,087	47,371	41,523	12,935	23,514	25,229	11,220	34,505	44,340	1,385
State Fair Police Special Account, Calif	84	3	50	37	—	37	—	—	—	—
Narc Assist & Relinquish Crim Offend Fd	8	554	528	34	450	460	24	525	519	30
Special Financing Account	156	—	—	156	-156	—	—	—	—	—
Vietnam Veterans Memorial Account	712	42	651	103	4	—	107	4	—	111
Underground Storage Tank Fund	2,587	925	956	2,556	863	1,025	2,394	1,026	1,022	2,398
Gaming Registration Fee Account	336	242	224	354	191	254	291	250	290	251
Mosquito-borne Disease Surveillance Acct	23	16	26	13	12	25	—	25	25	—
Energy Tech Research, Dev, & Demo Acct	3,563	-1,266	981	1,316	—	1,300	16	100	—	116
Garment Manufacturers Special Account	328	127	—	455	107	50	512	125	50	587
Surface Impoundment Assessment Account	1,669	809	795	1,683	582	1,435	830	361	302	889
Hazardous Subst Clear Acc -SCO Use Only	2,933	3,720	4,955	1,698	8,832	6,207	4,323	8,277	5,637	6,963
Army Discretionary Improvement Account	192	57	41	208	150	150	208	150	150	208
Emergency Clean Water Grant Fund	1,531	8	1,298	241	-241	—	—	—	—	—
Veterans Memorial Account	252	662	232	682	299	304	677	390	355	712
Boxer's Neurological Examination Account	164	327	364	127	324	387	64	330	382	12
Hazardous Material Waste Enforc Tng Fd	5	3	—	8	—	94	92	7	—	8
Developmental Disabilities Services Acct	226	19	71	174	12	—	—	—	99	—
Local Govt Geothermal Resource Subacct	3,103	2,149	1,579	3,673	-2,000	160	1,513	2,005	3,460	58
Higher Education Fees and Income-CSU	—	414,192	414,192	—	490,548	490,548	—	490,579	490,579	—
STATE TRANSPORTATION FUND:										
Aeronautics Account STF	1,067	6,203	7,103	167	4,611	4,731	47	8,478	8,525	—
Highway Account, State, STF	167,136	1,926,007	1,970,420	122,723	1,877,583	1,997,693	2,613	2,124,424	2,121,740	5,297
Motor Vehicle Account, STF	26,340	1,009,651	1,028,071	7,920	1,102,953	1,077,099	33,774	1,105,441	1,101,786	37,429
Bicycle Lane Account, STF	253	460	535	178	360	530	8	360	360	8
Transport Planning & Develop Acct, STF	41,716	153,944	144,022	51,638	189,840	174,985	66,493	224,963	239,682	51,774
Abandoned Railroad Account, STF	354	-354	—	—	—	—	—	—	—	—
Local Airport Loan Account	1,190	1,131	428	1,893	—	1,893	—	—	—	—
New Motor Vehicle Board Account	872	1,595	1,150	1,317	1,393	1,473	1,237	1,565	1,451	1,351
Seismic Safety Retrofit Account, STF	66,726	-6,940	21,161	38,625	-4,993	33,597	35	7,971	7,971	35
TRANSPORTATION TAX FUNDS:										
Motor Vehicle Fuel Account, TTF	99,477	173,499	38,444	234,532	40,592	29,708	245,416	47,478	33,622	259,272
Highway Users Tax Account, TTF	—	847,811	847,811	—	859,053	859,053	—	907,887	907,887	—
Motor Vehicle License Fee Account, TTF	—	2,260,544	2,260,005	539	2,227,445	2,227,984	—	2,294,000	2,294,000	—
FEEDER FUNDS:										
Bank and Corporation Tax Fund	—	—	—	22,237	20,520	1,717	26,120	22,933	4,904	—
Cigarette Tax Fund	8,808	32,825	513	-513	—	34	-547	—	—	-547
			37,432	4,201	15,642	19,843	—	—	—	—

Schedule 10

SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1991, 1992, 1993 AND 1994--Continued
(dollars in thousands)

Fund	Reserves June 30, 1991	Actual Income 1991-92	Actual Expenditures 1991-92	Reserves June 30, 1992	Estimated Income 1992-93	Estimated Expenditures 1992-93	Reserves June 30, 1993	Estimated Income 1993-94	Estimated Expenditures 1993-94	Reserves June 30, 1994
Personal Income Tax Fund	—	—	2	-2	—	5	-7	—	—	-7
Retail Sales Tax Fund	—	—	1	-1	—	308	-309	—	—	-309
OTHER GOVERNMENTAL COST FUNDS:										
Hazardous Spill Prevention Act, RAPRE	—	—	—	—	3,480	2,980	500	3,000	3,020	480
Corporations Fund, State	—	—	—	—	28,894	26,488	2,406	29,557	28,115	3,848
Barbering/Cosmetology Conting Fd, Bd of	—	1,384	—	1,384	6,595	7,150	829	10,225	8,536	2,518
Medical Waste Management Fund	—	—	—	—	—	—	—	1,000	916	84
Radiation Control Fund	—	—	—	—	—	—	—	6,000	5,784	216
Tissue Bank License Fund	—	—	—	—	371	324	47	380	313	114
Industrial Medicine Fund	—	—	—	—	—	—	—	1,800	1,639	161
Childhood Lead Poisoning Prevention Fund	—	—	—	—	5,462	4,711	751	5,500	4,526	1,725
Radon Contractor Certification Fund	—	11	—	11	11	22	—	20	20	—
Construction Management Education Act	—	—	—	—	15	15	—	15	15	—
Used Oil Recycling Fund, California	—	—	—	—	19,850	19,391	459	21,999	21,499	959
Used Oil Market & Collection Prom Act	—	—	—	—	1,820	—	1,820	6,948	—	8,768
St Fire Marshal Licensing & Cert Fund	—	—	—	—	—	—	—	1,635	1,448	187
Oil Refinery & Chem Plant Safety Fd, Cal	—	—	—	—	451	353	98	500	413	185
Pesticide Regulation Fund, Dept of	—	33,035	23,468	9,567	27,561	27,466	9,662	26,831	28,279	8,214
Acupuncture Fund	645	569	823	391	763	927	227	1,283	828	682
Agriculture Act, AG Fund	51,475	66,792	69,316	48,951	36,832	77,572	8,211	77,639	79,258	6,592
Agricultural Pest Control Research Acct	333	23	308	48	-3	36	9	12	21	—
Missing Children Reward Fund	24	—	—	24	—	2	22	—	2	20
Auctioneer Commission Fund	428	-40	329	59	91	150	—	—	—	—
Air Pollution Control Fund	1,310	8,759	9,183	886	8,073	8,724	235	8,866	9,050	51
Alcoholic Beverage Control Appeals Fund	428	544	502	470	489	502	457	548	534	471
Animal Health Technician Exam Comm Fund	114	31	116	29	77	106	—	98	92	6
School Building Program Account-Apb Fund	14,773	5,539	12,364	7,948	-2,857	5,091	—	—	—	—
Hospital Building Account-Apb Fund	3,679	18,690	15,704	6,665	17,283	15,781	8,167	17,241	15,399	10,009
Hosp Plan Chk Act, Apb Fund	2,701	-185	1,426	1,090	-1,037	12	41	-41	—	—
Rural Economic Development Fund	3,609	-2,138	-628	2,099	-3	1,321	775	486	1,243	18
Agricultural Export Promotion Act, CA	85	3	—	88	—	15	73	4	15	62
Water Device Certification Special Acct	-15	85	69	1	84	72	13	85	70	28
AWOL Abatement Program Fund	3	—	—	3	-3	—	—	—	—	—
Foster and Small Family Insurance Fund	416	—	-221	637	—	-131	768	—	—	768
Beverage Container Recycling Fund, CA	-17,375	330,902	313,527	—	358,900	358,811	89	353,934	350,425	3,598
Redemption Act, Beverage Contn Recycl Fd	40,456	4,598	29,066	15,988	-15,988	—	—	—	—	—
AIDS Vaccine Research Develop Grant Fd	826	—	679	147	-3	139	5	—	5	—
Banking Fund, State	10,382	11,989	14,880	7,491	12,529	15,753	4,267	15,856	15,164	4,959
Vital Record Improvement Project Fund	18,219	-8,637	1,221	8,361	1,155	1,755	7,761	3,000	1,557	9,204
Drinking Driver Program Licensing Trust	962	1,336	1,659	639	1,300	1,694	245	1,500	1,721	24
Environmental License Plate Fund, Calif	3,209	23,812	23,062	3,959	21,248	24,919	288	23,887	23,463	712
Soil Conservation Fund	116	1,110	1,110	116	1,078	1,071	123	985	826	282
Health Data & Planning Fund, CA	3,469	8,701	9,689	2,481	7,932	9,050	1,363	10,245	9,167	2,441
Water Fund, California	-588	4,591	2,604	1,399	16,064	13,989	3,474	14,480	13,862	4,092
Commerce Marketing Fund	20	2	—	22	2	—	24	77	100	1
Capital Outlay Fd for Public Higher Educ	2,334	—	—	2,334	—	—	2,334	—	—	2,334
Unitary Fund, California	24	-24	—	—	28	28	—	—	—	—

Schedule 10

SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1991, 1992, 1993 AND 1994--Continued

(dollars in thousands)

Fund	Reserves June 30, 1991	Actual Income 1991-92	Actual Expenditures 1991-92	Reserves June 30, 1992	Estimated Income 1992-93	Estimated Expenditures 1992-93	Reserves June 30, 1993	Estimated Income 1993-94	Estimated Expenditures 1993-94	Reserves June 30, 1994
Chiropractic Examiners Fund	427	1,756	1,355	828	1,150	1,335	643	1,756	1,507	892
Collection Agency Fund	1,169	738	1,609	298	—	—	298	—	—	298
Assembly and Senate, Operating Funds of	21	—	—	21	—	—	21	—	—	21
Continuing Care Provider Fee Fund	160	392	336	216	359	335	240	395	341	294
Outer Cont Shelf Land Act Sec 8g Rev Fnd	—	7,990	5,513	2,477	21,019	19,915	3,581	20,913	24,494	—
Certification Act, Consumer Affairs Fd	—	—	—	—	—	—	—	631	529	102
Delinquent Tax Collection Fund	1	429	429	1	1,180	1,180	1	404	404	1
Structural Pest Control Research Fund	237	92	—	329	333	333	75	105	90	90
Debt Limit Allocation Committee Fund, Cal	940	557	402	1,095	376	387	1,084	425	394	1,115
Corrections Training Fund	4,251	9,670	13,107	814	10,190	10,676	328	12,405	12,077	656
Debt Advisory Commission Fund Calif	1,903	895	1,133	1,665	497	1,250	912	743	1,267	388
Developmental Disabilities Prog Dev Fund	1,598	1,801	2,900	499	2,195	2,358	336	2,090	2,362	64
Competitive Technology Fund	7,925	-1,736	-801	6,990	-5,657	1,021	312	416	728	—
Dispensing Opticians Fund	191	225	158	258	22	223	57	338	237	158
Delta Flood Protection Fund	4,962	10,000	10,818	4,144	5,016	5,365	3,795	13,600	12,626	4,769
Food Safety Fund	248	2,177	2,185	240	2,096	2,127	209	2,150	2,097	262
Driver Training Penalty Assessment Fund	—	15,798	863	14,935	-13,986	949	—	943	943	—
Environmental Laboratory Improvement Fnd	-362	2,215	1,507	346	1,952	1,898	400	2,080	1,923	557
Registered Nurse Education Fund	705	554	272	987	599	1,226	360	650	614	396
Electromagnetic Field Study Fd,Hlth Svcs	7	—	—	7	-7	—	—	—	—	—
Environmnt Enhanc & Mitigat Demo Prgm Fd	—	10,225	9,985	240	10,000	9,986	254	9,746	10,000	—
Employment Developmnt Dept Benefit Audit	1,441	8,150	5,014	4,577	6,963	6,947	4,593	8,043	7,111	5,525
Employment Development Contingent Fund	1,105	16,246	16,351	1,000	17,815	17,815	1,000	37,174	37,174	1,000
Energy and Resource Fund	13	331	—	344	243	—	587	343	—	930
Fair and Exposition Fund	6,584	27,347	28,234	5,697	20,053	25,400	350	26,052	26,336	66
Satellite Wagering Account	16,045	8,813	22,391	2,467	12,590	13,709	1,348	14,157	15,115	390
Waste Discharge Permit Fund	1,536	10,310	4,704	7,142	8,595	9,501	6,236	10,062	11,271	5,027
Asset Forfeiture Distribution Fund	1,356	1,589	2,790	155	3,081	2,270	966	-130	836	—
Fire and Arson Training Fund, Calif	356	1,231	1,466	121	1,411	1,484	48	1,505	1,551	2
Fireworks Licensing Fund, California	404	446	417	433	337	437	333	-333	—	—
Fish and Game Preservation Fund	13,691	71,678	68,174	17,195	73,214	75,192	15,217	70,564	73,487	12,294
Fisheries Restoration Account	1,054	18	—	1,072	—	1,072	—	—	—	—
Genetic Disease Testing Fund	3,249	34,486	35,634	2,101	45,795	47,829	67	60,974	60,436	605
Geology and Geophysics Fund	573	-22	425	126	1,016	525	617	349	505	461
Fish & Wildlife Pollut Clnup & Abate Act	1,640	154	1,035	759	129	427	461	120	470	111
Hearing Aid Dispensers Fund	181	340	432	89	429	518	—	520	483	37
Hazardous Liquid Pipeline Safety Calif	780	1,339	1,552	567	1,222	1,701	88	1,441	1,528	1
Waterfowl Habitat Preservation Act, Cal	2,653	167	—	2,820	167	195	2,792	167	201	2,758
Native Species Conserv & Enhancement Acc	—	118	118	—	118	118	—	118	118	—
Restitution Fund	21,400	53,602	68,825	6,177	63,516	69,693	—	74,031	74,031	—
Industrial Development Fund	3,660	371	361	3,670	98	417	3,351	234	426	3,159
Industrial Rel Construction Enforce Fd	79	310	388	1	397	387	11	164	175	—
Insurance Fund	19,762	66,767	74,920	11,609	90,817	89,866	12,560	87,103	93,247	6,416
Workplace Health & Safety Revolving Fund	556	998	428	1,126	1,000	1,200	926	1,000	1,900	26
Workers' Comp Administration Revolv Fund	814	15,236	15,814	236	14,940	15,099	77	15,236	15,313	—
Food Safety Account,Agriculture Fund	756	1,917	990	1,683	1,517	1,580	1,620	1,771	1,748	1,643
Environmental Protection Trust Fund	571	91	662	—	2,068	950	1,118	1,000	1,909	209
Tire Recycling Management Fund, Calif	1,512	3,718	2,087	3,143	3,605	4,563	2,717	3,900	3,744	2,341
Low-Level Radioactive Waste Disposal Fnd	129	838	770	197	5,376	2,856	2,717	261	1,474	1,504

SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1991, 1992, 1993 AND 1994--Continued
(dollars in thousands)

<i>Fund</i>	<i>Reserves June 30, 1991</i>	<i>Actual Income 1991-92</i>	<i>Actual Expenditures 1991-92</i>	<i>Reserves June 30, 1992</i>	<i>Estimated Income 1992-93</i>	<i>Estimated Expenditures 1992-93</i>	<i>Reserves June 30, 1993</i>	<i>Estimated Income 1993-94</i>	<i>Estimated Expenditures 1993-94</i>	<i>Reserves June 30, 1994</i>
Business Fees Fund, Secty of State's	—	—	—	—	12,723	12,723	—	13,506	13,506	—
Dry Cleaning Fund	—	—	—	—	68	41	27	210	78	159
Cigarette & Tobacco Products Surtax Fund	—	429	429	—	461	461	—	445	445	—
Health Ed Act, Cig & Tob Pr Surtax	46,090	83,821	92,927	36,984	103,087	131,445	8,626	99,504	105,965	2,165
Hospital Svc Act, Cig & Tob Pr Surtax	5,865	159,358	169,010	-3,787	156,762	144,076	8,899	150,842	156,088	3,653
Physician Svc Act, Cig & Tob Pr Surtax	15,707	31,787	39,239	8,255	26,567	29,654	5,168	24,976	29,050	1,094
Research Act, Cig & Tob Pr Surtax	2,061	28,700	28,575	2,186	26,072	25,324	2,934	24,926	27,302	558
Public Res Act, Cig & Tob Pr Surtax	15,352	17,641	20,361	12,632	16,872	26,616	2,888	21,830	23,343	1,375
Unallocated Act, Cig & Tob Pr Surtax	48,305	113,182	115,512	45,975	90,081	133,340	2,716	71,716	72,144	2,288
Local Agency Deposit Fund	58	302	226	134	198	300	32	271	269	34
Loc Pub Prosecutors & Pub Defenders Trng	308	861	1,076	93	760	789	64	863	785	142
Methadone Program Licensing Trust Fund	88	663	702	49	657	706	—	791	570	221
Environmental Water Fund	180	1,200	1,042	338	—	—	338	—	—	338
Mobilehome Park Revolving Fund	356	3,593	3,931	18	3,580	3,598	—	3,789	3,589	200
Long Term Management Strategy Study Fund	—	—	—	—	177	177	—	160	160	—
Emergency Svc Disast Adm Supprt Ac Ofc Of	-365	977	-1,279	1,891	1,532	-130	3,553	972	4,056	469
Publ Fac & Loc Agency Disast Respons Acc	-2,562	1,646	-57,795	56,878	-569	33,159	23,150	1,889	16,770	8,269
Street and Highway Account-NDA Fund	3,262	367	-5,963	9,592	-959	1,955	6,678	429	1,863	5,244
Earthquake Emergency Invest Acct-NDA Fd	3	—	—	3	—	-100	103	—	—	103
Nursing Home Admin St Lic Exam Bd Fund	550	21	343	228	575	421	382	117	420	79
Off Highway License Fee Fund	473	857	857	473	850	850	473	850	850	473
Habitat Conservation Fund	8,922	28,895	24,274	13,543	26,436	36,130	3,849	22,635	23,144	3,340
Off Highway Vehicle Fund	9,138	35,130	22,022	22,246	11,916	26,096	8,066	16,925	24,243	748
Osteopathic Medical Bd of Calif Contrn Fd	778	-100	518	160	371	477	54	474	480	48
Conservation & Enforcement Svs Ac-Ohv Fd	3,499	-3,499	—	—	—	—	—	—	—	—
Wetlands Conservation Fd, Wildlife Rest	—	16	16	-16	—	—	-16	—	—	-16
Exposition Park Improvement Fund	2,031	2,152	2,695	1,488	1,900	2,546	842	2,152	1,918	1,076
Peace Officers Training Fund	6,561	31,814	35,995	2,380	35,441	37,821	—	38,371	38,371	—
Glass Processing Fee Account	1,554	32,288	33,813	29	19,646	19,675	—	13,006	13,006	—
Residential Care Facility for Elderly Fd	—	150	3	147	170	194	123	170	203	90
Hazardous & Idle-Deserted Well Abate Fnd	—	62	62	—	60	50	10	60	62	8
Physicians Assistant Fund	720	457	511	666	168	665	169	810	633	346
Recycling Market Development Rev Loan	—	5,000	5,000	—	5,285	5,000	285	5,785	5,164	906
Bay Protection and Toxic Cleanup Fund	—	3,130	1,747	1,383	2,962	3,527	818	3,900	4,020	698
Residential Earthquake Recovery Fund, CA	—	53,356	23,274	30,082	131,274	68,224	93,132	—	—	—
Pilot Commissioners Fund	502	937	1,137	302	1,557	1,622	237	1,750	1,631	356
Podiatry Fund	859	296	792	363	880	1,243	—	943	943	—
Professional Forester Registration Fund	97	157	151	103	141	162	82	164	164	82
Asbestos Consultant Certification Fund	—	300	299	1	392	290	103	400	296	207
Private Postsecond & Vocational Ed Adm Fnd	535	2,203	2,352	386	3,433	2,896	393	3,541	3,175	1,289
Safe Drinking Water Account	—	—	—	—	393	—	393	11,000	7,035	4,358
Perinatal Insurance Fund	—	44,803	14,234	30,569	42,615	67,422	5,762	57,615	57,515	5,862
Psychology Fund	439	1,588	1,695	332	1,814	2,066	80	2,668	2,111	637
Traumatic Brain Injury Fund	154	500	500	154	450	500	104	500	500	104
Emergency Medical Services Personnel Fnd	321	364	346	339	337	380	296	370	467	199
Major Risk Insurance Fund	9,430	30,000	26,090	13,340	30,000	39,145	4,195	29,734	30,529	3,400
Diesel Emission Reduction Fund	—	399	34	365	770	437	698	1,000	789	909
Real Estate Fund	27,581	11,481	27,732	11,330	18,016	25,923	3,423	23,690	25,552	1,561

SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1991, 1992, 1993 AND 1994--Continued
(dollars in thousands)

Fund	Reserves June 30, 1991	Actual Income 1991-92	Actual Expenditures 1991-92	Reserves June 30, 1992	Estimated Income 1992-93	Estimated Expenditures 1992-93	Reserves June 30, 1993	Estimated Income 1993-94	Estimated Expenditures 1993-94	Reserves June 30, 1994
Respiratory Care Fund	1,000	401	1,004	397	966	1,164	199	1,201	1,211	189
Oil Spill Prevention & Administration Fd	10,540	21,616	18,804	13,352	19,848	19,064	14,136	22,050	25,542	10,644
Oil Spill Response Trust Fund	51,325	1,582	76	52,831	—	—	52,831	1,678	—	54,509
Electronic and Appliance Repair Fund	816	854	1,246	424	1,271	1,348	347	1,299	1,594	52
Athletic Commission Fund	—	—	—	—	484	484	—	493	493	—
Court Interpreters' Account	—	—	—	—	50	50	—	127	127	—
Pub Sch Ping Design & Constr Rev Revlv Fd	—	—	—	—	10,713	4,724	5,989	9,518	10,150	5,357
Vehicle License Collection Acct, LRF	—	—	—	—	14,000	14,000	—	—	—	—
Local Revenue Fund	—	274	274	—	356	356	—	—	—	—
Vehicle License Fee Account	—	679,574	679,574	—	679,574	679,574	—	362	362	—
Sales Tax Growth Account	—	—	—	—	—	—	—	679,574	679,574	—
Vehicle License Fee Growth Account	—	—	—	—	47,837	47,837	—	13,698	13,698	—
Reg Environmental Health Specialist Fund	312	236	267	281	156	189	—	63,836	63,836	—
Savings Association Spec Regulatory Fund	4,611	2,476	2,978	4,109	-456	2,995	248	220	197	271
School Fund, State	—	21,695	21,695	—	26,631	26,631	658	461	691	428
School Building Lease-Purchase Fund, St	—	—	—	—	-20,000	-20,000	—	11,695	11,695	—
School Building Safety Fund	—	366	366	—	364	364	—	—	—	—
School Land Bank Fund	—	-6,549	15	606	4,015	—	4,621	363	363	—
Senate Operating Fund	383	—	—	383	—	—	383	200	—	4,821
Mental Health Subaccount, Sales Tax Acct	—	670,284	670,284	—	670,284	670,284	—	670,284	670,284	383
Social Services Subaccount, Sales Tx Acct	—	467,043	467,043	—	467,043	467,043	—	467,043	467,043	—
Health Subaccount, Sales Tax Account	—	153,916	153,916	—	153,916	153,916	—	153,916	153,916	—
Caseload Subacct, Sales Tax Growth Acct	—	—	—	—	32,291	32,291	—	39,146	39,146	—
Indigent Hlth Subacct, Sales Tx Growth Ac	—	—	—	—	4,025	4,025	—	4,025	4,025	—
Comm Health Subacct, Sales Tax Growth Acct	—	—	—	—	9,856	9,856	—	9,856	9,856	—
Mental Health Subaccount, Sales Tx Growth	—	—	—	—	3,185	3,185	—	3,185	3,185	—
St Hosp Mental Hlth Subacct, Sales Tx Gro	—	—	—	—	5,654	5,654	—	5,654	5,654	—
Co Medical Svc Subacct, Sales Tax Growth	—	—	—	—	835	835	—	1,463	1,463	—
Mandates Claims Fund, State	1,565	—	—	1,565	—	1	1,564	—	—	1,564
General Growth Subacct, Sales Tax Growth	—	—	—	—	18,644	18,644	—	53,458	53,458	—
Disaster Relief Fund	242,986	-138,667	1,170	103,149	-80,332	9,767	13,050	-13,050	—	—
SF-Oakland Bay Bridge & Cypress Disast Fd	35,460	—	16,264	19,196	-19,196	—	—	—	—	—
Speech Pathology & Audio Exam Comm Fund	206	441	262	385	-7	301	77	363	305	135
Higher Education Earthquake Account 1987	52	—	-73	125	—	125	—	—	—	—
Dental Auxiliary Fund, State	218	884	906	196	1,053	995	254	1,456	981	729
Integrated Waste Management Acct	11,590	23,896	32,197	3,289	30,023	32,978	334	27,743	28,076	1
Parks and Rec Acct, St, Parks & Rec Fd	8,404	59,756	66,609	1,551	87,559	88,998	112	91,584	91,484	212
Fines & Forfeitures Acct, Parks & Rec Fd	1,040	259	567	732	350	421	661	350	419	592
Coast Zone Construct/Convers, Parks Rec Fd	394	—	—	394	—	—	394	-394	—	—
Self-Insurance Plans Fund	1,278	1,645	1,338	1,585	1,352	2,008	929	1,762	2,041	650
State Police Fund, California	186	106	113	179	113	113	179	109	109	179
Strong Motion Instrumentation Spec Fund	4,065	2,789	3,454	3,400	2,435	3,694	2,141	3,141	3,716	1,566
Structural Pest Cntrl Educ.&Enforcemnt Fd	233	106	197	142	118	208	52	214	204	62
Tax Preparers Fund	758	889	1,269	378	1,221	1,362	237	1,465	895	807
Teacher Credentials Fund	2,093	9,187	9,386	1,894	8,412	9,876	430	8,863	8,416	877
Test Development and Admin Acct, Tc Fd	2,093	3,193	3,837	1,591	3,512	4,399	704	3,843	4,330	217
Transcript Reimbursement Fund	—	312	179	133	174	295	12	302	294	20
Transportation Rate Fund	590	21,902	21,241	1,251	21,355	20,219	2,387	19,355	20,556	1,186

Schedule 10

SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1991, 1992, 1993 AND 1994--Continued
(dollars in thousands)

<i>Fund</i>	<i>Reserves June 30, 1991</i>	<i>Actual Income 1991-92</i>	<i>Actual Expenditures 1991-92</i>	<i>Reserves June 30, 1992</i>	<i>Estimated Income 1992-93</i>	<i>Estimated Expenditures 1992-93</i>	<i>Reserves June 30, 1993</i>	<i>Estimated Income 1993-94</i>	<i>Estimated Expenditures 1993-94</i>	<i>Reserves June 30, 1994</i>
Vehicle Inspection and Repair Fund	12,680	73,627	80,570	5,737	75,786	75,114	6,409	78,865	77,360	7,914
Victim Witness Assistance Fund	3,369	11,382	14,697	54	14,949	14,895	108	13,762	13,419	451
Wildlife Restoration Fund	1,222	1,466	1,075	1,613	1,081	1,650	1,044	1,800	1,955	889
Winter Recreation Fund	4	99	96	7	110	85	32	110	85	57
PROFESSIONS AND VOCATIONS FUNDS:										
Accountancy Fund	7,281	1,975	6,909	2,347	7,606	8,793	1,160	9,020	8,864	1,316
Architectural Examiners Fd, Cal St Bd Of	1,283	3,694	3,953	1,024	2,892	3,900	16	3,920	3,701	235
Barber Exam Fd, St Bd Trans to 069 12/91	230	720	950	—	—	—	—	—	—	—
Cemetery Fund	397	110	367	140	305	359	86	323	370	39
Contractors License Fund	36,423	7,769	33,878	10,314	25,791	34,111	1,994	29,678	31,671	1
Cosmetology Cont Fd, Trans to 069 12/91	748	4,080	4,828	—	—	—	—	—	—	—
Dentistry Fund, State	778	4,163	3,946	995	4,039	4,032	1,002	5,478	4,183	2,297
Funeral Directors and Embalmers Fund, St	219	584	721	356	627	783	200	722	813	109
Home Furnish & Thermal Insulat Fd, Burea	2,077	1,069	2,261	885	2,570	2,742	713	1,690	2,403	—
Dry Cleaning Account	117	18	58	77	-47	30	—	—	—	—
Landscape Architects Fund, Cal St Bd of	511	382	663	230	434	538	126	507	547	86
Medical Quality Assurance, Contingent Fd	8,755	21,780	24,315	6,220	23,598	26,193	3,625	27,272	29,273	1,624
Physical Therapy Fund	384	549	791	142	793	880	55	1,031	1,030	56
Registered Nursing Fund, Board of	3,547	9,897	10,771	2,673	10,195	11,080	1,788	12,776	11,705	2,859
Optometry Fund, State	388	477	687	178	720	848	50	1,054	806	298
Pharmacy Board Contingent Fund	5,663	-1,183	3,275	1,205	3,386	3,779	812	3,972	4,376	408
Private Investigator and Adjuster Fund	3,554	3,981	5,835	1,700	3,682	5,382	—	3,681	3,681	—
Professional Engineer & Land Surveyor Fd	3,813	1,863	4,725	951	5,896	5,852	995	7,435	5,821	2,609
Shorthand Reporters Fund	695	4	441	258	462	463	257	401	505	153
Behavioral Science Examiners Fund	1,181	2,828	3,506	503	3,790	3,749	544	4,311	4,349	506
Structural Pest Control Fund	2,626	645	2,231	1,040	1,748	2,336	452	2,943	2,417	978
Veterinary Examiners Contingent Fund, Bd	1,182	-112	834	236	850	916	—	863	862	171
Vocational Nurses Account	1,224	2,707	3,244	687	3,288	3,307	668	3,740	3,466	942
Psychiatric Technicians Account	556	671	928	299	967	1,008	258	783	961	80
UNSPECIFIED SPECIAL FUNDS:										
Augmentation for Employee Compensation	—	—	—	—	—	2,000	-2,000	—	52,000	-54,000
Payment of Specified Attorney Fees	—	—	—	—	—	74	-74	—	150	-224
Reserve for Contingencies or Emergency	—	—	—	—	—	1,500	-1,500	—	1,500	-3,000
Various Retirement Savings Proposals	—	—	—	—	—	-52,691	52,691	—	—	52,691
TOTALS, SPECIAL FUNDS	1,588,883	11,090,844	11,192,570	1,467,157	11,492,940	11,854,488	1,105,609	12,100,854	12,357,980	848,483
GRAND TOTALS	649,273	53,117,337	54,519,554	-752,944	52,434,568	52,676,367	-994,743	51,975,424	49,691,018	1,196,531

Schedule 11

STATEMENT OF CASH AND SECURITIES OF ALL FUNDS IN THE TREASURY ¹

(Dollars in thousands)

Fund No.	Title	June 30, 1991			June 30, 1992				
		Cash	Securities	Due from Surplus Money Investment Fund	Totals	Cash	Securities	Due from Surplus Money Investment Fund	Totals
PUBLIC SERVICE ENTERPRISE FUNDS									
049	Toll Bridge Revenue Account, STF	—	—	\$49,954	\$49,954	\$2	—	\$48,109	\$48,111
500	S.F. Bay Bridges—North	\$3	\$3,175	116,315	119,493	3	—	163,199	163,202
501	California Housing Finance Fund	18	658,696	321,598	980,312	21	\$668,883	371,745	1,040,649
502	California Water Resources Development Bond Fund	102	—	133,973	134,075	103	—	121,437	121,540
503	California National Guard Members Farm and Home Fund of 1978	5	2,270	4,087	6,362	5	2,271	4,906	7,182
505	Affordable Student Housing Resolving Fund	—	—	1,259	1,259	1	—	1,562	1,563
506	Central Valley Water Project Construction Fund	237	513,636	256,367	770,240	238	1,037,928	202,731	1,240,897
507	Central Valley Water Project Revenue Fund	1,069	53,638	203,425	258,132	1,098	79,391	223,635	304,124
510	California Exposition and State Fair Enterprise Fund	1	—	7,296	7,297	—	—	7,532	7,532
512	Compensation Insurance Fund	10	4,668,935	72,567	4,741,512	10	4,919,546	96,044	5,015,600
513	First-time Home Buyer Fund	1,215	43	—	1,258	1,352	—	1,352	1,352
514	Employment Training Fund	1	—	190,384	190,385	—	—	182,393	182,393
516	Harbors and Watercraft Revolving Fund	500	—	75,968	76,468	500	—	98,502	99,002
518	Health Facility Construction Loan Insurance Fund	—	—	89,942	89,942	—	—	99,660	99,660
523	East Bay State Building Authority Fund	—	—	20,691	20,691	1	—	33,172	33,173
524	Los Angeles State Building Authority Revenue Fund	—	21,667	—	21,667	—	—	—	—
525	High Tech Education Revenue Bond Fund	16	—	57,915	57,931	14	—	61,281	61,295
526	California School Financing Authority Fund	—	—	—	—	1	—	797	798
528	Alternative Energy Authority Fund	—	—	—	—	80	—	—	80
530	Mobilehome Park Purchase Fund	1	—	6,833	6,834	—	—	6,180	6,180
534	New Prison Construction Revolving Fund	1	—	—	—	—	—	16,194	16,194
535	California Main Street Program Fund	20	—	24,859	24,860	14	—	—	14
536	San Diego-Coronado Toll Revenue Fund	1	—	—	—	1	—	28,426	28,427
537	Capitol Area Development Fund	—	—	—	—	2	—	6,123	6,125
542	San Francisco-Oakland Bay Bridge Toll Revenue Fund	25	—	190	215	25	—	204	229
553	San Francisco Seawall Sinking Fund No. 3	—	—	—	—	—	—	—	—
559	Small Craft Harbor Bond Fund	1	—	32	33	1	—	32	33
560	Small Craft Harbor Improvement Fund	11	—	1,924	1,935	11	—	2,199	2,210
562	State Lottery Fund	1	—	251,109	251,110	—	—	89,269	89,269
565	State Coastal Conservancy Fund	14,771	—	—	14,771	16,752	—	—	16,752
568	Tahoe Conservancy Fund	354	—	—	354	411	—	—	411
571	Uninsured Employers Account	9,425	—	—	9,425	8,058	—	—	8,058
573	State University and Colleges Continuing Education Revenue Fund	50	—	45,611	45,661	51	—	50,713	50,764
575	State University and Colleges Dormitory Building Maintenance and Equipment Reserve Fund	13	—	83,027	83,040	10	—	79,682	79,692
576	State University and Colleges Dormitory Construction Fund	387	—	88,185	88,572	394	—	79,970	80,364
578	State University and Colleges Dormitory Interest and Redemption Fund	22	—	34,653	34,675	21	35,767	49,439	85,227
580	State University and Colleges Dormitory Revenue Fund	688	—	80,313	81,001	687	—	74,060	74,747
583	State University and Colleges Parking Revenue Fund	—	—	6,224	6,224	—	—	7,334	7,334
586	San Francisco Bay Bridges, South	4	30,900	168,550	199,454	2	5,024	187,995	193,021
588	Unemployment Compensation Disability Fund	11	—	577,414	577,425	11	—	199,743	199,754
590	Veterans Debutante Revenue Fund	1	125,055	12,348	137,404	1	80,075	12,348	92,424
591	Indemnity—Veterans Fund	—	—	5,093	5,093	—	—	5,915	5,915
592	Veterans Farm and Home Building Fund of 1943	110	578,003	1,310,825	1,888,938	108	59,110	1,212,120	1,271,338
596	Vincent Thomas Bridge Toll Revenue Fund	—	—	5,678	5,678	1	—	7,095	7,096
	Total, Public Service Enterprise Funds	\$29,073	\$6,656,018	\$4,304,609	\$10,989,700	\$29,990	\$6,887,995	\$3,831,746	\$10,749,731
WORKING CAPITAL AND REVOLVING FUNDS									
048	Transportation Revolving Account, STF	\$10	—	\$113,613	\$113,623	\$10	—	\$261,330	\$261,340
053	Highway Construction Revolving Account, STF	—	—	10,000	10,000	—	—	—	—
601	Agriculture Building Fund	—	—	1,078	1,078	1	1,371	—	1,372
602	Architecture Revolving Fund	134,844	—	—	134,844	106,561	—	—	106,561
604	Armory Fund	—	—	169	169	—	—	355	355
605	Ballot Paper Revolving Fund	335	—	—	335	335	—	—	335

Schedule 11—Continued

STATEMENT OF CASH AND SECURITIES OF ALL FUNDS IN THE TREASURY¹—Continued
(Dollars in thousands)

		June 30, 1991				June 30, 1992			
Fund No.	Title	Cash	Securities	Due from Surplus Money Investment Fund	Totals	Cash	Securities	Due from Surplus Money Investment Fund	Totals
Nongovernmental Cost Funds									
617	State Water Pollution Control Fund.....	1	—	947	948	1	—	12,103	12,104
630	General Obligation Bond Expense Revolving Fund.....	81	—	—	81	75	—	—	75
632	Health and Welfare Agency Data Center Revolving Fund.....	—	—	12,551	12,551	1	—	7,829	7,830
635	Rural Predevelopment Loan Fund.....	1	—	1,889	1,890	—	—	2,341	2,341
648	Mobilehome Manufactured Home Revolving Fund.....	—	—	47	48	—	—	—	—
652	Old Age and Survivors Insurance Revolving Fund.....	2,482	—	—	2,482	1,415	—	—	1,415
660	Public Building Construction Fund.....	35	\$90,758	328,639	419,432	47	\$101,302	657,745	759,094
661	Public School District Organization Revolving Fund.....	227	—	—	227	207	—	—	207
662	Revolving Loan Fund.....	14	—	—	14	14	—	—	14
664	Primary Care Risk Pool.....	—	—	500	500	—	—	268	268
665	Rehabilitation Revolving Loan Guarantee Fund.....	1	—	414	415	—	—	445	445
666	Service Revolving Fund.....	5,130	—	—	5,130	701	—	305	701
669	Supported Employment Revenue Loan Guarantee Account.....	1	—	284	285	—	—	—	306
670	State Clean Water Grants Administration Revolving Fund.....	254	—	—	254	254	—	—	254
671	Rural Health Services Account.....	—	—	788	788	1	—	1,743	1,744
672	Child Health/Disability Prevention Treatment Fund.....	1	—	4,131	4,131	1	—	2,833	2,834
673	Passenger Equipment Acquisition Fund.....	1	—	2,313	2,314	1	—	2,101	2,102
675	State Payroll Revolving Fund.....	717,340	—	—	717,340	615,309	—	—	615,309
676	Ridesharing Vanpool Revolving Loan & Grant Fund.....	—	—	8,141	8,141	1	—	6,023	6,024
678	Prison Industries Revolving Fund.....	—	—	9,254	9,254	—	—	1,425	1,425
679	State Water Quality Control Fund.....	—	—	21,447	21,447	—	—	25,216	25,217
681	Surplus Money Investment Fund.....	9,228,854	—	—	9,228,854	10,497,563	—	—	10,497,563
682	Inmate Construction Revolving Account.....	25,165	—	—	25,165	28,710	—	—	28,710
683	Stephen P. Teale CDC Revolving Fund.....	—	—	94	94	—	—	6,252	6,252
684	New Industries Revolving Account.....	—	—	1,303	1,303	—	—	853	853
687	Donated Food Revolving Fund.....	—	—	190	190	1	—	—	1
689	California Disaster Housing Rehabilitation Fund.....	—	—	27,395	27,395	—	—	63,155	63,156
691	Water Resources Revolving Fund.....	50	—	6,358	6,408	51	—	9,494	9,545
692	Water Resources Control Board Revolving Fund.....	111	—	—	111	111	—	—	111
693	Disproportionate Share and Emergency Services Fund.....	—	—	75,720	75,720	—	—	65,522	65,522
694	Petro Financing Collection Account.....	—	—	16	16	—	—	34	34
695	Grant and Loan Collection Account.....	505	—	—	505	—	—	510	510
698	Home Purchase Assistance Fund.....	100	—	40	140	1	—	256	257
702	Consumer Affairs Fund.....	66,694	—	15,271	81,965	101	—	6,475	6,576
714	Home Building and Rehabilitation Fund.....	107	—	—	107	8	—	291,561	291,569
731	California Alternative Energy Authority Fund.....	—	—	5,436	5,436	—	—	—	—
764	Clean Water and Water Reclamation Fund.....	1	—	962	963	217	—	13,827	14,044
814	California State Lottery Fund.....	1	—	136,770	136,771	—	—	763	763
822	Public Employees Health Care.....	1	—	—	1	—	—	134,462	134,462
	Total, Working Capital and Revolving Funds.....	\$10,182,347	\$90,758	\$785,759	\$11,058,864	\$11,251,701	\$101,302	\$1,576,597	\$12,929,600
BOND FUNDS									
703	Clean Air and Transportation Improvement Fund.....	\$259	—	—	\$259	\$1	—	\$254,122	\$254,123
707	California Safe Drinking Water Fund.....	5,907	—	\$7,920	13,827	797	—	10,604	11,401
708	School Facilities Bond Act, November 1990.....	1	—	19,729	19,730	1	—	16,722	16,723
710	Hazardous Substance Cleanup Fund.....	1	—	6,165	6,166	—	—	14,634	14,634
711	1986 County Correctional Facilities Capital Expenditure Fund.....	—	—	—	—	—	—	—	—
716	Community Parklands Fund.....	1	—	16,187	16,188	2	—	88,642	88,644
718	Health Science Facilities Construction Program Fund.....	—	—	5,220	5,220	1	—	5,832	5,833
719	California School Finance Authority Fund.....	1	—	2,341	2,342	1	—	275	276
720	Lake Tahoe Acquisition Fund.....	1	—	778	779	—	—	—	—
721	Parklands Fund of 1980.....	1	—	7,412	7,413	—	—	8,834	8,834
722	Parklands Fund of 1984.....	2,806	—	—	2,806	5,019	—	1,173	6,192
723	New Prison Construction Fund.....	34,097	—	—	34,097	17	—	20,482	20,499
724	1984 Prison Construction Fund.....	896	—	—	896	1,106	—	—	1,106
725	County Jail Capital Expenditure Fund.....	108	—	—	108	105	—	—	105
727	1984 County Jail Capital Expenditure Fund.....	1	—	26,185	26,186	1	—	8,588	8,589
728	Recreation & Fish & Wildlife Enhancement Fund.....	1,115	—	1,880	1,880	1,031	—	2,017	2,018
729	Senior Center Bond Act Fund.....	1,689	—	—	1,689	754	—	—	754

Schedule 11—Continued

STATEMENT OF CASH AND SECURITIES OF ALL FUNDS IN THE TREASURY¹—Continued
(Dollars in thousands)

		June 30, 1991				June 30, 1992			
Fund No.	Title	Cash	Securities	Due from Investment Fund	Totals	Cash	Securities	Due from Investment Fund	Totals
Nongovernmental Cost Funds									
730	State Coastal Conservancy Fund of 1984	4,364	—	—	4,364	638	—	—	3,486
732	State Beach, Park, Recreational and Historical Facilities Fund	196	—	—	196	188	—	—	188
733	State Beach, Park, Recreational and Historical Facilities Fund of 1974	4,094	—	—	4,094	3,705	—	—	3,705
734	State Clean Water Fund	935	—	166	1,101	935	—	3,666	3,666
736	State Construction Program Fund	4,101	—	—	4,101	—	—	—	935
737	State Clean Water and Water Conservation Fund	27,520	—	—	27,520	130,590	—	7,509	130,590
739	State School Building Aid Fund	797	—	5,604	6,401	954	—	—	12,169
740	State Clean Water Bond Fund of 1984	630	—	—	630	24	—	352	376
742	State, Urban, and Coastal Park Fund	1	—	32,662	32,663	—	—	23,879	23,879
743	State School Building Lease-Purchase Fund	1	—	15,426	15,427	1	—	11,094	11,095
744	Water Conservation, Water Quality Bond Fund of 1986	1	—	13,898	13,900	2	—	34,171	34,173
746	1986 Prison Construction Fund	2	—	191,499	191,502	2	—	55,160	55,162
747	Prison Construction Fund	3	—	5,011	5,042	2	—	2,079	2,079
748	Fish and Wildlife Habitat Enhancement	31	—	48,474	48,475	2	—	156,863	156,865
751	1990 Prison Construction Bond Fund	1	—	2,191	2,191	2	—	343,771	343,773
756	Passenger Rail Bond Fund of 1990	—	—	—	—	2	—	471	472
762	Oil Spill Bond Expense Account	1	—	12,310	12,311	2	—	9,575	9,577
768	Earthquake Public Rehabilitation Fund	—	—	191,128	191,128	2	—	44,439	44,440
774	1990 School Facilities Bond Act	—	—	10,320	10,320	1	—	68,495	68,496
776	School Facilities November 1988 Bond Act	—	—	28,124	28,125	—	—	—	—
781	New Prison Construction Revenue Fund	1	—	24,325	24,325	1	—	15,501	15,502
782	Higher Education Capital Outlay Bond Fund	2	—	24,323	24,325	3	—	27,567	27,570
785	Higher Education Capital Outlay Bond Fund, 1988	2	—	54,356	54,358	3	—	37,344	37,346
786	Wildlife, Coastal and Park Conservation Fund, 1988	13,969	—	—	13,969	2	—	2,143	2,144
787	Wildlife and Natural Areas Conservation Fund	916	—	—	916	1	—	89,544	89,544
788	California Earthquake Safety and Housing Rehabilitation	18,847	—	—	18,847	—	—	115,812	115,812
789	State School Building Lease-Purchase Bond Act, 1988	1	—	55,389	55,390	—	—	2,587	2,589
790	Water Conservation Fund of 1988	—	—	81,776	81,779	2	—	96,448	96,451
791	Higher Education Facilities Bond Act	3	—	5,400	5,400	3	—	6,950	6,950
793	California Safe Drinking Water Fund	—	—	—	—	—	—	32,069	32,070
794	California Library Construction Revolving Fund	112	—	—	112	—	—	—	—
796	County Correctional Capital Expenditure and Youth Facilities Bond Fund of 1988	1	—	77,612	77,613	1	—	60,548	60,549
	Total, Bond Funds	\$123,415	—	\$949,486	\$1,072,901	\$145,900	—	\$1,694,025	\$1,839,925
RETIREMENT FUNDS									
815	Judges' Retirement Fund	\$534	\$939	—	\$1,473	\$168	\$6,810	—	\$6,978
820	Legislators' Retirement Fund	407	64,145	—	64,552	388	—	\$65,680	66,068
821	Flexselect Benefit Fund	1	—	\$1,435	1,436	1	—	1,909	1,910
830	Public Employees' Retirement Fund	1	46,448,101	354,964	46,803,066	—	48,851,173	356,560	49,207,733
835	Teachers' Retirement Fund	—	31,043,893	246,804	31,290,697	—	34,053,156	268,361	34,321,517
	Total, Retirement Funds	\$943	\$77,557,078	\$603,203	\$78,161,224	\$557	\$82,911,139	\$692,510	\$83,604,206
TRUST AND AGENCY FUNDS—FEDERAL									
854	Karz School Bus Fund	\$1	—	\$48,405	\$48,406	\$1	—	\$62,638	\$62,639
855	Used Oil Collection Demonstration Grant	1,000	—	—	1,000	1,000	—	—	1,000
856	Guaranteed Return Trip Fund	300	—	—	300	289	—	—	289
861	Public Health Federal Fund	219	—	—	219	32	—	—	32
862	State Child Care Facilities Fund	7,368	—	—	7,368	4,825	—	—	4,825
863	State Child Care Facilities Fund	1,481	—	—	1,481	647	—	—	647
864	State Child Care Capital Outlay Fund	1,079	—	—	1,079	421	—	—	421
869	Lake Tahoe Assistance Fund	764	—	—	764	956	—	—	956
870	Consolidated Work Program Fund	4,567	—	—	4,567	1,205	—	—	1,205
871	Unemployment Administration Fund	2,216	—	—	2,216	137	—	—	137
888	State Legalization Impact Assistance Fund	23,175	—	—	23,175	94,891	—	—	94,891
890	Federal Trust Fund	163,506	—	—	163,506	7,433	—	—	7,433
893	Offshore Energy Assistance Fund	2,043	—	—	2,043	558	—	—	558

Schedule 11—Continued

STATEMENT OF CASH AND SECURITIES OF ALL FUNDS IN THE TREASURY¹—Continued
(Dollars in thousands)

Fund No.	Title	June 30, 1991				June 30, 1992			
		Cash	Securities	Due from Surplus Money Investment Fund	Totals	Cash	Securities	Due from Surplus Money Investment Fund	Totals
894	Local Coastal Program Improvement Fund.....	646	—	—	646	143	—	—	143
	Total, Trust and Agency Funds.....	\$208,365	—	\$48,405	\$256,770	\$112,538	—	\$62,638	\$175,176
TRUST AND AGENCY FUNDS—OTHER									
800	U.S. Olympic Committee Fund.....	—	—	—	—	\$21	—	—	\$21
803	State Children's Trust Fund.....	—	—	\$2,733	\$2,733	1	—	\$2,419	2,420
808	Computer Software Refund Fund.....	\$10	—	—	10	10	—	—	10
809	Export Finance Fund.....	—	—	5,601	5,601	1	—	5,865	5,865
810	County Health Facilities Financing Assistance Fund.....	1	—	5	6	—	—	6	6
811	Displaced Homemaker Emergency Loan Fund.....	—	—	759	759	—	—	711	711
812	Reader Employment Fund.....	241	—	—	241	262	—	—	262
813	Self-Help Housing Fund.....	—	—	1,866	1,866	—	—	1,693	1,693
816	Audit Repayment Trust Fund.....	1,244	—	—	1,244	229	—	—	229
817	Hazardous Substance Cleanup Financing Fund.....	58	—	—	58	58	—	—	58
823	California Alzheimer's Disease.....	981	—	—	981	924	—	—	924
824	California Export Promotion Account.....	65	—	—	65	179	—	—	179
826	Superfund Bond Trust Fund.....	1	—	40,542	40,543	1	—	25,275	25,276
827	Milk Producers Security Trust Fund.....	1	—	17,191	17,191	1	—	20,650	20,651
828	Hazardous Waste Reduction Loan Guarantee Account.....	1	—	1,585	1,586	—	—	1,382	1,382
829	Minority Health Professionals Education Fund.....	—	—	393	394	1	—	175	176
831	California State Lottery Education Fund.....	1,659	—	—	1,659	974	—	—	974
834	Medi-Cal Inpatient Payment Adjustment Fund.....	—	—	—	—	1	—	103,951	103,952
838	California Maritime Academy Trust Fund.....	65	—	—	65	67	—	—	67
839	California State University Lottery Education Fund.....	—	—	15,302	15,302	1	—	11,458	11,459
840	California Motorcyclist Safety Fund.....	—	—	2,674	2,674	—	—	2,758	2,758
843	California Housing Trust Fund.....	—	—	1,183	1,183	—	—	27	27
845	Mental Health Primary Prevention Fund.....	4,976	—	—	4,976	2,647	—	—	2,647
846	Public Awards Fund.....	1	—	—	1	1	—	—	1
847	Asset Forfeiture Fund.....	1	—	1,611	1,612	1	—	1,480	1,481
848	California Healthcare Indigent Program.....	—	—	97	97	—	—	36,954	36,955
853	Petroleum Violation Escrow Account.....	2	—	107,938	107,940	3	—	98,686	98,689
873	Institute for Mental Disease Account.....	—	—	—	—	—	—	612	612
886	California Seniors Special Fund.....	—	—	—	—	54	—	—	54
896	County Medical Services Program.....	1	—	858	859	1	—	8,891	8,892
899	County Health Account.....	1	—	144	144	1	—	283	284
900	Local Health Capital Expenditure Account.....	1	—	3,387	3,388	—	—	1,222	1,222
901	Medically Indigent Services Account.....	—	—	327	327	1	—	123	124
904	California Health Facilities Authority Fund.....	—	—	13,809	13,809	2	—	19,935	19,937
905	California Election Campaign Fund.....	—	—	—	—	—	—	—	—
908	School Employees Fund.....	11	—	17,878	17,889	11	—	7,306	7,317
909	Community College Instructional Improvement Fund.....	1,489	—	—	1,489	1,015	—	—	1,015
910	Condemnation Deposits Fund.....	1	—	107,490	107,491	—	—	105,313	105,313
911	Educational Facilities Authority Fund.....	1	—	2,334	2,335	—	—	2,506	2,506
912	Health Care Deposit Fund.....	—	—	—	—	34,787	—	—	34,787
913	Industrial Relations Unpaid Wage Fund.....	200	—	—	200	195	—	—	195
914	Bay Fill Clean-Up and Abatement Fund.....	1	—	53	53	—	—	71	71
915	Deferred Compensation Plan Fund.....	—	—	132	132	1	—	108	108
916	Housing Insurance Fund.....	—	—	14,237	14,237	—	—	14,743	14,743
917	Inmates Welfare Fund.....	6	—	6,465	6,471	6	—	7,057	7,063
918	Small Business Expansion Fund.....	—	—	265	265	1	—	286	287
920	Litigation Deposit Fund.....	1	—	7,599	7,600	1	—	94,207	94,208
922	California Economic Development Grant and Loan Fund.....	1	—	5,171	5,172	—	—	6,559	6,559
923	Immunization Adverse Reaction Fund.....	23	—	—	23	23	—	—	23
924	Local Agency Investment Fund.....	7,205,828	—	—	7,205,828	8,790,832	—	—	8,790,832
927	Farmworker Housing Grant Fund.....	4,130	—	—	4,130	3,410	—	—	3,410
928	Forest Resources Improvement Fund.....	1	—	12,071	12,071	1	—	12,083	12,084
929	Housing Rehabilitation Loan Fund.....	1	—	11,020	11,021	—	—	2,323	2,323
930	Pollution Control Financing Authority Fund.....	8	—	39,537	65,964	10	25,801	43,518	69,329
935	Local Agency Indebtedness Fund.....	1,849	—	—	1,849	1,849	—	—	1,849
936	Homeownership Assistance Fund.....	—	—	3,918	3,918	1	—	4,018	4,019

Schedule 11—Continued

STATEMENT OF CASH AND SECURITIES OF ALL FUNDS IN THE TREASURY ¹—Continued
(Dollars in thousands)

Fund No.	Title	June 30, 1991				June 30, 1992			
		Nongovernmental Cost Funds				Due from Surplus Money Investment Fund			
		Cash	Securities	Due from Surplus Money Investment Fund	Totals	Cash	Securities	Due from Surplus Money Investment Fund	Totals
938	Rental Housing Construction Incentive Fund	1	—	33,964	33,965	—	—	35,865	35,865
939	Nutrition Reserve Fund	1,089	—	—	1,089	689	—	—	689
940	Renewable Resources Investment Fund	1,420	—	—	1,420	1,087	—	—	1,087
941	Santa Monica Mountains Conservancy Fund	21	—	—	21	43	—	—	43
942	Special Deposit Fund	108	19	121,062	121,189	342	19	187,266	187,627
943	Land Bank Fund	—	—	3,713	3,713	1	—	4,292	4,293
946	Student Security Trust Fund	1	—	11	12	1	—	16	17
947	California State University and Colleges Special Project Fund	11	—	6,743	6,754	10	—	9,229	9,239
948	California State University and Colleges Trust Fund	10	—	31,791	31,801	11	—	39,142	39,153
950	State Employees Contingency Reserve Fund	353	865	—	1,218	150	1,736	—	1,886
951	State Guaranteed Loan Reserve Fund	21	—	129,872	129,893	21	—	131,642	131,663
952	State Park Contingent Fund	—	—	1,173	1,173	—	—	4,239	4,240
953	Alfred E. Alquist Earthquake Fund	—	—	—	—	25	—	—	25
954	Student Loan Authority Fund	1	—	8,000	8,001	—	—	8,740	8,740
955	State Instructional Materials Fund	135	—	—	135	1,389	—	—	1,389
956	State School Site Utilization Fund	13,538	—	—	13,538	12,775	—	—	12,775
959	Foster Parent Training Fund	370	—	—	370	1,834	—	—	1,834
960	Student Tuition Recovery Fund	—	—	791	791	1	—	558	559
961	State School Deferred Maintenance Fund	—	—	—	—	3,246	—	—	3,246
962	Volunteer Firefighters Length of Service Award Fund	—	761	—	761	8	828	—	836
963	Teacher Tax Shelter Annuity Fund	3	24,870	—	24,873	63	27,980	—	28,043
965	Timber Tax Fund	—	—	7	7	1	—	137	138
970	Unclaimed Property Fund	74,048	220	—	74,268	21,168	220	—	21,388
972	Mobilehome Recovery Fund	—	—	1,716	1,716	—	—	736	736
973	Asbestos Abatement Fund	—	—	—	—	1,347	—	—	1,347
974	Child Care Fund	134	—	—	134	88	—	—	88
977	Resident-Run Housing Revolving Fund	1	—	141	142	—	—	150	150
980	Urban Redevelopment Loan Fund	1	—	2,306	2,307	—	—	3,820	3,820
981	California State World Trade Commission Fund	205	—	—	205	—	—	—	205
982	California Urban Waterfront Area Resource Financing Authority	—	—	77	77	—	—	83	83
983	California Seniors Fund	1	—	487	488	—	—	588	588
984	Rural Community Facility Grant	53	—	—	53	48	—	—	48
985	Emergency Housing and Assistance Fund	1	—	3,116	3,117	1	—	8,537	8,538
Total, Trust and Agency Funds—Other		\$7,314,385	\$74,922	\$791,145	\$8,180,452	\$8,882,141	\$78,558	\$1,079,693	\$10,040,392
TOTALS, NONGOVERNMENTAL COST FUNDS		\$17,858,528	\$84,378,776	\$7,482,607	\$109,719,911	\$20,422,827	\$89,978,994	\$8,937,209	\$119,339,030
Special Funds		\$470,079	\$2,036	\$1,588,282	\$2,060,397	\$864,711	\$70,515	\$1,479,967	\$2,415,193
GOVERNMENTAL COST FUNDS									
OTHER BALANCES									
Agency Bank Accounts		\$132,950	—	—	\$132,950	\$485,034	—	—	\$485,034
Uncleared Collections		3,996	—	—	3,996	7,026	—	—	7,026
Outstanding Warrants		840,985	—	—	840,985	925,147	—	—	925,147
Fiscal Agents		44,058	—	—	44,058	78,521	—	—	78,521
Pooled Money Investment Account		—16,141,906	\$16,141,906	—	—	—19,151,369	\$19,151,369	—	—
Time Deposits in Banks		—52,500	52,500	—	—	—149,965	149,965	—	—
TOTALS, ALL FUNDS		\$3,156,190	\$100,575,218	\$9,070,889	\$112,802,297	\$3,481,932	\$109,350,843	\$10,417,176	\$123,249,951

¹ Only includes funds with balances.

STATEMENT OF BONDED DEBT OF THE STATE OF CALIFORNIA AS OF NOVEMBER 16, 1992
GENERAL OBLIGATION BONDS
(Dollars in Thousands)

(This statement does not include bonds issued under authority of State instrumentalities
that are not general obligations of the State of California)

GENERAL FUND BONDS				
	<i>Maturity</i>	<i>Authorized</i>	<i>Unsold</i>	<i>Outstanding</i>
				<i>Redemptions</i>
BUSINESS, TRANSPORTATION AND HOUSING				
788 California Earthquake Safety and Housing Rehabilitation Bond Act of 1988.....	1990-2010	\$150,000	—	\$140,005
513 First-Time Homebuyers Bond Act of 1982.....	1988-1999	200,000	185,000	2,945
714 Housing and Homeless Bond Act of 1988.....	1990-2001	300,000	—	262,530
714 Housing and Homeless Bond Act of 1990.....	1991-2022	150,000	—	138,605
703 Clean Air and Transportation Improvement Bond Act of 1990.....	1991-2011	1,990,000	1,527,300	460,130
756 Passenger Rail and Clean Air Bond Act of 1990.....	1991-2011	1,000,000	490,900	501,360
Total, Business, Transportation and Housing.....		\$3,790,000	\$2,203,200	\$1,505,575
NATURAL RESOURCES				
722 California Park and Recreational Facilities Act of 1984.....	1985-2022	\$370,000	\$31,000	\$285,150
721 California Parklands Act of 1980.....	1982-2022	285,000	2,000	149,585
707 California Safe Drinking Water Bond Law of 1976.....	1981-2011	175,000	10,000	104,700
707 California Safe Drinking Water Bond Law of 1984.....	1986-2022	75,000	3,000	61,570
707 California Safe Drinking Water Bond Law of 1986.....	1991-2022	100,000	53,000	45,170
793 California Safe Drinking Water Bond Law of 1988.....	1991-2011	75,000	64,000	10,420
786 California Wildlife, Coastal, and Park Land Conservation Act of 1988.....	1990-2022	776,000	316,000	434,130
737 Clean Water and Water Conservation Bond Law of 1978.....	1981-2011	375,000	15,000	183,575
764 Clean Water and Water Reclamation Bond Law of 1988.....	1991-2022	65,000	28,000	36,635
716 Community Parklands Act of 1986.....	1990-2022	100,000	—	93,420
748 Fish and Wildlife Habitat Enhancement Act of 1984.....	1986-2022	85,000	11,000	59,880
720 Lake Tahoe Acquisitions Bond Act.....	1986-2011	85,000	5,000	67,295
728 Recreation and Fish and Wildlife Enhancement Bond Act of 1970.....	1972-1995	60,000	—	4,000
733 State Beach, Park, Recreational and Historical Facilities Bond Act.....	1967-2003	400,000	—	68,725
742 State, Urban and Coastal Park Bond Act of 1976.....	1978-2022	280,000	11,000	101,425
744 Water Conservation and Water Quality Bond Law of 1986.....	1993-2022	150,000	62,000	85,655
790 Water Conservation Bond Law of 1988.....	1991-2022	60,000	55,000	4,950
Total, Natural Resources.....		\$3,516,000	\$666,000	\$1,796,285
ENVIRONMENTAL QUALITY				
734 Clean Water Bond Law of 1970.....	1972-2011	\$250,000	—	\$32,000
734 Clean Water Bond Law of 1974.....	1978-2011	250,000	—	93,470
740 Clean Water Bond Law of 1984.....	1986-2011	325,000	160,000	142,845
Total, Environmental Quality.....		\$825,000	\$160,000	\$268,315
HEALTH AND WELFARE				
740 Hazardous Substance Cleanup Bond Act of 1984.....	1986-2005	\$100,000	—	\$79,275
729 Senior Center Bond Act of 1984.....	1986-2006	50,000	—	34,750
Total, Health and Welfare.....		\$150,000	—	\$114,025
YOUTH AND ADULT CORRECTIONAL				
796 County Correctional Facility Capital Expenditure and Youth Facility Bond Act of 1988.....	1991-2022	\$500,000	\$166,000	\$318,645
711 County Correctional Facility Capital Expenditure Bond Act of 1986.....	1989-2022	495,000	13,000	454,280
725 County Jail Capital Expenditure Bond Act of 1981.....	1984-2011	280,000	—	203,525
727 County Jail Capital Expenditure Bond Act of 1984.....	1986-2009	250,000	—	184,500
723 New Prison Construction Bond Act of 1981.....	1983-2006	495,000	—	299,000
724 New Prison Construction Bond Act of 1984.....	1985-2006	300,000	—	197,500
746 New Prison Construction Bond Act of 1986.....	1989-2011	500,000	99,000	346,050
747 New Prison Construction Bond Act of 1988.....	1991-2011	817,000	93,000	671,950
751 New Prison Construction Bond Act of 1990.....	1991-2011	450,000	176,000	256,800
Total, Youth and Adult Correctional.....		\$4,087,000	\$547,000	\$2,932,250
				\$607,750

Schedule 12—Continued
STATEMENT OF BONDED DEBT OF THE STATE OF CALIFORNIA AS OF NOVEMBER 16, 1992—Continued
GENERAL OBLIGATION BONDS—Continued
(Dollars in Thousands)

(This statement does not include bonds issued under authority of State instrumentalities that are not general obligations of the State of California)

GENERAL FUND BONDS—Continued

EDUCATION—K-12

794	California Library Construction and Renovation Bond Act of 1988.....	1991-2011	\$75,000			
776	1988 School Facilities Bond Act.....	1991-2011	800,000	\$39,000	\$35,160	\$840
774	1990 School Facilities Bond Act.....	1991-2011	800,000	99,000	650,740	50,260
789	School Facilities Bond Act of 1988.....	1990-2011	800,000	67,000	697,655	35,345
774	School Facilities Bond Act of 1990.....	1991-2022	800,000	—	724,705	75,295
745	School Facilities Bond Act of 1992.....	1993-2022	800,000	85,000	703,005	11,995
743	State School Building Lease-Purchase Bond Law of 1982.....	1985-2005	1,900,000	1,338,000	562,000	—
743	State School Building Lease-Purchase Bond Law of 1984.....	1987-2011	450,000	—	270,175	229,825
743	State School Building Lease-Purchase Bond Law of 1986.....	1990-2011	800,000	—	350,000	100,000
	Total, Education—K-12.....		\$6,925,000	\$1,628,000	\$4,700,240	\$596,760

HIGHER EDUCATION

736	Community College Construction Program Bond Act of 1972.....	1974-1997	\$160,000	—	\$23,250	\$136,750
718	Health Science Facilities Construction Program Bond Act of 1971.....	1974-1998	155,900	—	35,020	120,880
782	Higher Education Facilities Bond Act of 1986.....	1989-2011	400,000	—	343,500	56,500
785	Higher Education Facilities Bond Act of 1988.....	1990-2022	600,000	\$33,000	528,420	38,580
791	Higher Education Facilities Bond Act of June 1990.....	1991-2022	450,000	119,000	310,205	20,795
705	Higher Education Facilities Bond Act of June 1992.....	1993-2022	900,000	770,000	130,000	—
736	Junior College Construction Bond Act of 1968.....	1970-1991	65,000	—	—	65,000
782	State Higher Education Construction Program Bond Act of 1966.....	1968-1993	230,000	—	4,800	225,200
	Total, Higher Education.....		\$2,960,900	\$922,000	\$1,375,195	\$663,705

GENERAL GOVERNMENT

736	State Construction Program Bonds.....	1959-1994	\$1,050,000	—	\$6,200	\$1,043,800
768	Earthquake Safety and Public Buildings Rehabilitation Bond Act of 1990.....	1991-2011	300,000	\$287,000	12,350	650
	Total, General Government.....		\$1,350,000	\$287,000	\$18,550	\$1,044,450
	Total, General Fund Bonds.....		\$23,603,900	\$6,413,200	\$12,710,435	\$4,480,265

PARTIALLY SELF-LIQUIDATING BONDS ¹

State School Building Aid Bonds.....	1955-2001	\$2,140,000	\$40,000	\$103,300	\$1,996,700
California Water Resources Development Bond Act of 1959.....	1973-2022	\$1,750,000	\$171,000	\$1,216,305	\$362,695

SELF-LIQUIDATING BONDS ²

Harbor Development Bond Law of 1958 ³	1964-1998	\$60,000	—	\$4,770	\$55,230
VETERANS FARM AND HOME BUILDING BONDS					
Veterans Bonds.....	1958-2019	\$6,860,000	\$639,900	\$3,100,070	\$3,120,030
Total, Self-Liquidating Bonds.....		\$10,810,000	\$850,900	\$4,424,445	\$5,534,655
TOTALS, ALL GENERAL OBLIGATION BONDS.....		\$34,413,900	\$7,264,100	\$17,134,880	\$10,014,920

¹ The state school building issues debt service payments are partially refinanced with funds of the borrowing school districts over a 30- to 40-year repayment period as prescribed by statutes.

² The California Water Resource Development Bond Act, the San Francisco Harbor Improvement Acts, and the Veterans Bond Acts are public service enterprises that have their own revenues to finance their respective debt service expenditures.

³ The Harbor Development Bond Law of 1958 includes an authorization of \$50,000,000 for the development of small craft harbors as provided by Chapter 103, Statutes of 1958, First Extraordinary Session.

Schedule 13-A
STATE APPROPRIATIONS LIMIT SUMMARY
(Dollars in Millions)

	1991-92			1992-93			1993-94		
	<i>General Fund</i>	<i>Special Funds</i>	<i>Total</i>	<i>General Fund</i>	<i>Special Funds</i>	<i>Total</i>	<i>General Fund</i>	<i>Special Funds</i>	<i>Total</i>
Schedule 8:									
Revenue and Transfers.....	\$42,026	\$11,091	\$53,117	\$40,942	\$11,493	\$52,435	\$39,875	\$12,101	\$51,976
Less/Add: Transfers.....	-689	560	-129	-795	639	-156	-371	255	-116
Schedule 13-B:									
Less: Revenues to Excluded Funds	-	-2,943	-2,943	-	-3,260	-3,260	-	-3,137	-3,137
Schedule 13-C:									
Less: Non-Tax Revenues.....	-631	-493	-1,124	-475	-535	-1,010	-409	-546	-955
Schedule 13-D:									
Add: Transfers from Excluded to Included Funds	113	50	163	123	41	164	32	42	74
TOTAL, SAL Revenues and Transfers	\$40,819	\$8,265	\$49,084	\$39,795	\$8,378	\$48,173	\$39,127	\$8,715	\$47,842
Schedule 13-E:									
Less: Excluded Appropriations	-15,782	-2,864	-18,646	-14,395	-2,957	-17,352	-11,458	-2,980	-14,438
Total SAL Appropriations.....			\$30,438			\$30,821			\$33,404
CALCULATION OF LIMIT ROOM:									
Appropriations Limit (Sec. 12.00)			\$34,233			\$35,010			\$36,239
Less: Total SAL Appropriations.....			-30,438			-30,821			-33,404
Appropriation Limit Room/(Surplus)			\$3,795			\$4,189			\$2,835

Schedule 13-B
STATE APPROPRIATIONS LIMIT
REVENUES TO EXCLUDED FUNDS
(Dollars In Thousands)

<i>Source Code</i>	<i>Source</i>	<i>Actual 1991-92</i>	<i>Estimated 1992-93</i>	<i>Estimated 1993-94</i>
MAJOR REVENUES:				
110500	Cigarette Tax	\$517,829	\$511,894	\$496,963
110900	Horse Racing Fees-Licenses.....	11,457	11,702	11,714
	Total, Major Taxes and Licenses	\$529,286	\$523,596	\$508,677
MINOR REVENUES:				
REGULATORY TAXES AND LICENSES:				
120200	General Fish and Game Taxes	\$1,858	\$1,890	\$1,834
120300	Electrical Energy Tax	50,094	41,239	42,064
120600	Quarterly Public Utility Comm Fees.....	68,289	70,606	68,763
120700	Penalties on Public Utility Comm Qtrly Fees.....	457	300	300
120900	Off-Highway Vehicle Fees.....	1,340	1,400	1,400
121000	Liquor License Fees.....	-	36,862	39,166
121100	Genetic Disease Testing Fees.....	33,876	46,009	59,641
121200	Other Regulatory Taxes	58,204	47,419	59,152
121300	New Motor Vehicle Dealer License Fee	1,574	1,539	1,541
121500	General Fish and Game License Tags Permits	61,850	61,038	61,950
122400	Elevator and Boiler Inspection Fees.....	7,152	8,748	8,748
122700	Employment Agency License Fees.....	427	507	525
122900	Teacher Credential Fees.....	6,884	7,247	7,390
123000	Teacher Examination Fees.....	3,806	3,542	3,626
123100	Insurance Company License Fees & Penalties	22,367	20,962	20,962
123200	Insurance Company Examination Fees	15,191	17,020	17,498
123300	Other Insurance Department Fees	27,112	25,500	23,150
123400	Division of Real Estate Examination Fees.....	4,957	3,214	2,297
123500	Division of Real Estate License Fees.....	15,601	17,249	14,793
123600	Subdivision Filing Fees.....	3,581	3,653	3,835
123800	Building Construction Filing Fees	714	1,501	1,576
123900	Savings and Loan Licenses	2,125	1,573	400
124000	Savings and Loan Fees.....	75	75	50
124100	Domestic Corporation Fees.....	-	4,357	4,401
124200	Foreign Corporation Fees	-	1,824	1,842
124300	Notary Public License Fees	-	788	796
124400	Filing Financing Statements.....	-	2,030	2,138
125100	Beverage Container Redemption Fees	337,236	340,400	342,600
125300	Processing Fees.....	28,509	22,200	19,600
125400	Hazardous Waste Control Fees	46,071	49,738	69,419
125600	Other Regulatory Fees.....	291,591	459,115	329,907
125700	Other Regulatory Licenses and Permits.....	161,652	204,361	208,609
125800	Renewal Fees.....	86,184	99,330	100,221
125900	Delinquent Fees.....	2,274	4,861	4,922
	Total, Regulatory Taxes and Licenses.....	\$1,341,051	\$1,608,097	\$1,525,116
REVENUE FROM LOCAL AGENCIES:				
130600	Architecture Public Building Fees	\$31,927	\$25,952	\$25,952
130700	Penalties on Traffic Violations	87,426	100,888	105,578
130800	Penalties on Felony Convictions	7,274	11,033	17,698
130900	Fines-Crimes of Public Offense	1,026	1,500	1,783
131000	Fish and Game Violation Fines	845	845	845
131100	Penalty Assessments on Fish and Game Fines	429	485	520
131200	Interest on Loans to Local Agencies.....	405	394	389
131600	Fingerprint ID Card Fees	19,182	18,243	18,901
131700	Miscellaneous Revenue from Local Agencies.....	775	1,295	1,236
	Total, Revenue from Local Agencies.....	\$149,289	\$160,635	\$172,902
SERVICES TO THE PUBLIC:				
140600	State Beach and Park Service Fees	\$50,869	\$55,850	\$56,850
140900	Parking Lot Revenues	5,681	6,973	6,973
141200	Sales of Documents.....	1,145	1,266	1,347
142000	General Fees—Secretary of State	-	7,680	8,022
142200	Parental Fees	1,704	2,100	2,000
142500	Miscellaneous Services to the Public	10,109	12,092	13,373
142800	California State University Fees.....	414,192	490,548	490,579
143000	Personalized License Plates.....	31,678	33,947	34,677
	Total, Services to the Public	\$515,378	\$610,456	\$613,821

Schedule 13-B
STATE APPROPRIATIONS LIMIT
REVENUES TO EXCLUDED FUNDS
(Dollars In Thousands)

<i>Source Code</i>	<i>Source</i>	<i>Actual 1991-92</i>	<i>Estimated 1992-93</i>	<i>Estimated 1993-94</i>
USE OF PROPERTY AND MONEY:				
150200	Income from Pooled Money Investments	\$2,964	\$3,218	\$3,276
150300	Income from Surplus Money Investments	52,468	31,528	25,068
150400	Interest Income from Loans	1,103	3,567	5,003
150600	Income from Other Investments	237	77	77
151200	Income from Condemnation Deposits Fund	5	2	2
151800	Federal Land Royalties	20,479	19,968	19,968
152200	Rentals of State Property	539	632	632
152300	Miscellaneous Revenue from Use of Property & Money	7,670	8,222	9,722
152400	School Land Royalties	749	15	15
152500	State Land Royalties	142,272	97,004	41,493
	Total, Use of Property and Money	\$228,486	\$164,233	\$105,256
MISCELLANEOUS:				
160200	Penalties and Interest on UI and DI Contribution	\$53,463	\$52,349	\$55,109
160400	Sale of Fixed Assets	48	39	39
160500	Sale of Confiscated Property	4,691	4,946	1,720
160600	Sale of State's Public Lands	67	-	-
161000	Escheat of Unclaimed Checks and Warrants	213	305	306
161400	Miscellaneous Revenue	47,193	57,766	57,749
161800	Penalties and Interest on Personal Income Tax	12,044	11,760	12,348
161900	Other Revenue—Cost Recoveries	5,835	4,021	13,900
164100	Traffic Violations	3,751	3,900	4,000
164300	Penalty Assessments	48,612	54,618	62,291
164400	Civil and Criminal Violation Assessment	3,437	3,421	3,521
	Total, Miscellaneous	\$179,354	\$193,125	\$210,983
	TOTAL, MINOR REVENUES	\$2,413,558	\$2,736,546	\$2,628,078
	TOTALS, Revenue to Excluded Funds			
	(MAJOR and MINOR)	\$2,942,844	\$3,260,142	\$3,136,755

Schedule 13-C
STATE APPROPRIATIONS LIMIT
NON-TAX REVENUES IN FUNDS SUBJECT TO LIMIT
(In Thousands)

Revenue	1991-92		1992-93		1993-94	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Candidate Filing Fee.....	\$534	—	\$99	—	\$485	—
Civil and Criminal Violation Assessment.....	726	—	900	—	868	—
Domestic Corporation Fees.....	4,369	—	—	—	—	—
Driver's License Fees.....	—	\$94,087	—	\$105,000	—	\$109,000
Elevator and Boiler Inspection Fees.....	252	—	341	—	370	—
Employment Agency Filing Fees.....	83	—	80	—	80	—
Employment Agency License Fees.....	388	26	380	27	380	27
Escheat of Unclaimed Checks and Warrants.....	9,032	35	3,591	100	3,591	100
Explosive Permit Fees.....	19	—	5	—	5	—
Filing Financing Statements.....	1,993	—	—	—	—	—
Fines—Crimes of Public Offense.....	36	—	25	—	25	—
Fire Prevention and Suppression.....	321	—	150	—	150	—
Foreign Corporation Fees.....	1,823	—	—	—	—	—
Forestry & Fire Protect Nursery Sales.....	179	—	200	—	200	—
General Fees—Secretary of State.....	6,622	—	113	—	76	—
Guardianship Fees.....	19	—	20	—	20	—
Hazardous Waste Control Fees.....	—	30,267	—	26,300	—	—
Horse Racing Fees—Unclaimed Tickets.....	509	—	450	—	450	—
Horse Racing Fines and Penalties.....	126	—	89	—	89	—
Highway Carrier Uniform Business License Tax.....	5,316	—	5,300	—	5,300	—
Identification Card Fees.....	—	9,180	—	9,200	—	9,400
Income from Surplus Money Investments.....	—	485	—	358	—	367
Industrial Homework Fees.....	9	—	9	—	9	—
Interest Income from Loans.....	4,955	4	6,207	33	5,637	—
Interest on Loans to Local Agencies.....	—	1,065	—	1,010	—	907
Liquor License Fees.....	31,241	—	—	—	—	—
Medicare Receipts from Fed Govt (Abol 7/1/87).....	16,474	—	11,900	—	11,900	—
Miscellaneous Revenue from Use of Property and Money.....	7,491	27,643	12,578	25,439	16,578	27,352
Miscellaneous Revenue from Local Agencies.....	529	2,258	546	2,800	546	2,800
Miscellaneous Revenue.....	4,818	11,571	4,712	11,400	4,001	12,150
Miscellaneous Services to the Public.....	8,653	64,246	7,942	67,600	7,756	70,630
Narcotic Fines.....	1,554	—	2,135	—	2,135	—
Notary Public License Fees.....	836	—	—	—	—	—
Off-Highway Vehicle Fees.....	—	2,539	—	2,600	—	2,700
Oil and Gas Lease—1% Revenue City/County.....	177	—	200	—	200	—
Open Space Cancellation Fee Deferred Taxes.....	3,592	1,110	3,000	1,225	3,000	985
Other Motor Vehicle Fees.....	—	840	—	835	—	835
Other Regulatory Fees.....	53,817	2,697	59,211	2,561	60,571	2,764
Other Regulatory Licenses and Permits.....	54,845	15,869	49,078	15,800	39,563	15,850
Other Regulatory Taxes.....	9,124	—79	8,616	—	8,616	—
Other Revenues—Cost Recoveries.....	—	1,604	—	2,410	—	—
Parking Lot Revenues.....	727	—	727	—	727	—
Parking Violations.....	1	—	1	—	1	—
Pay Patients Board Charges.....	44,249	—	31,500	—	32,500	—
Penalty Assessments.....	7,372	4,777	6,824	3,500	6,847	—
Proceeds from Estates of Deceased Person.....	22	—	2,140	—	2,175	—
Receipts from Health Care Dep Fd (Abol 7/83).....	51,418	—	42,854	—	41,354	—
Rentals of State Property.....	5,853	31,889	6,005	30,793	6,205	35,793
Retail Sales and Use Taxes.....	—	145,067	—	179,800	—	208,400
Revenue-Abandoned Property.....	195,460	—	155,000	—	100,000	—
Sale of Confiscated Property.....	2	—	3	—	3	—
Sale of Fixed Assets.....	1,523	—	1,709	—	1,777	—
Sale of State's Public Lands.....	68	—	37,002	—	2	—
Sales of Documents.....	397	971	402	1,008	402	1,008
School Land Royalties.....	—	—	350	—	350	—
State Land Royalties.....	92,193	—	12,197	—	44,508	—
Uninsured Motorist Fees.....	1,037	—	—	—	—	—
Universal Telephone Service Tax.....	373	—	—	—	—	—
Waters-Edge Election Fee.....	—	44,400	—	45,000	—	45,000
TOTALS.....	\$631,157	\$492,551	\$474,591	\$534,799	\$409,452	\$546,068

Schedule 13-D
STATE APPROPRIATIONS LIMIT
TRANSFERS FROM EXCLUDED FUNDS TO INCLUDED FUNDS
(In Thousands)

	<i>Actual</i> <i>1991-92</i>		<i>Estimated</i> <i>1992-93</i>		<i>Estimated</i> <i>1993-94</i>	
	<i>General Fund</i>	<i>Special Fund</i>	<i>General Fund</i>	<i>Special Fund</i>	<i>General Fund</i>	<i>Special Fund</i>
Transfers per Control Section 3.70, Budget Act of 1992.....	-	-	\$14,510	-	-	-
Transfers per Control Section 14.00, Budget Acts of 1991 and 1992.....	\$68,080	-	10,723	-	-	-
Transfers per Control Section 14.50, Budget Act of 1992.....	-	-	23,214	-	-	-
Energy Resources Surcharge Fund to Energy Resources Programs Account (Revenue and Taxation Code Section 40031)	-	\$50,094	-	\$41,239	-	\$42,064
Satellite Wagering Account to General Fund (Item 8570-015-192, Budget Act of 1991).....	5,000	-	-	-	-	-
Motor Vehicle Parking Facilities Moneys Account to General Fund (Item 1760-021-003, Budget Act of 1991)	1,400	-	-	-	-	-
Access for Handicapped Account to General Fund (Item 1760-021-006, Budget Act of 1991)	1,500	-	-	-	-	-
Emergency Telephone Number Account to General Fund (Item 1760-021-022, Budget Act of 1993)	-	-	-	-	\$15,000	-
Agriculture Account to General Fund (Item 8570-011-111, Budget Act of 1992)	-	-	25,000	-	-	-
Auctioneer Commission Fund to General Fund (Item 8540-011-114, Budget Act of 1992)	-	-	218	-	-	-
Vital Record Improvement Project Fund to General Fund (Item 4260-005-137, Budget Act of 1991)	12,700	-	-	-	-	-
Vital Record Improvement Project Fund to General Fund (Item 4260-005-137, Budget Act of 1992)	-	-	1,500	-	-	-
Insurance Fund to General Fund (Item 2290-011-217, Budget Act of 1992)	-	-	10,000	-	-	-
Low-Level Radioactive Waste Disposal Fund to General Fund (Item 4260-001-227, Budget Act of 1992)	-	-	500	-	-	-
Business Fees Fund to General Fund (Chapter 1059, Statutes of 1991)	-	-	4,217	-	4,174	-
Oil Spill Response Trust Fund to General Fund (Item 3600-011-321, Budget Act of 1992)	-	-	1,628	-	-	-
Savings Association Special Regulatory Fund (Item 2340-011-337, Budget Act of 1992)	-	-	1,675	-	-	-
Emergency Clean Water Grant Fund to General Fund (Item 4260-005-486, Budget Act of 1993)	-	-	241	-	-	-
Local Government Geothermal Resource Subaccount to General Fund (Item 3360-011-497, Budget Act of 1992)	-	-	4,000	-	-	-
Self-Help Housing Fund to General Fund (Chapter 702, Statutes of 1992)	-	-	394	-	-	-
Employment Training Fund to General Fund (Item 5100-001-514, Budget Act of 1991)	1,200	-	-	-	-	-
Employment Training Fund to General Fund (Item 5100-001-514, Provision 4, Budget Act of 1991)	20,725	-	-	-	-	-
Mental Health Primary Prevention Fund to General Fund (Item 4440-102-845, Budget Act of 1992)	-	-	1,473	-	-	-
Medical Indigent Services Account, County Health Services Fund to General Fund (Item 4260-005-901, Budget Act of 1992)	-	-	191	-	-	-
Homeownership Assistance Fund to General Fund (Chapter 702, Statutes of 1992)	-	-	2,226	-	121	-
Student Loan Authority Fund to General Fund (Item 0986-011-954, Budget Act of 1992)	-	-	6,245	-	-	-
Mobilehome Recovery Fund to General Fund (Item 2240-011-972, Budget Act of 1991)	1,000	-	-	-	-	-
Alcohol Beverage Control Fund to General Fund (Business and Professions Code 25761)	-	-	14,198	-	13,046	-
Private Postsecondary and Vocation Education Administration Fund to General Fund (Item 6880-011-305, Budget Act of 1992)	1,200	-	-	-	-	-
Electromagnetic Field Study Fund to General Fund (Item 4260-005-182, Budget Act of 1993)	-	-	7	-	-	-
Satellite Wagering Account to General Fund (Item 8570-013-192, Budget Act of 1992)	-	-	702	-	-	-
TOTALS	\$112,805	\$50,094	\$122,862	\$41,239	\$32,341	\$42,064

Schedule 13-E
STATE APPROPRIATIONS LIMIT
EXCLUDED APPROPRIATIONS
(In Millions)

<i>Budget</i>	<i>Fund</i>	<i>Actual 1991-92</i>	<i>Estimated 1992-93</i>	<i>Estimated 1993-94</i>
DEBT SERVICE:				
Bond Interest and Redemption:				
(9600-510-001)	General	\$1,198	\$1,501	\$1,590
(9590-501-001)	General	7	7	7
Ch. 376/84 Toxics:				
(4260-501-455)	Hazardous Substance Account	5	5	5
Transportation/Motor Vehicle Account	Special	13	13	13
Lease-Revenue Notes/Bonds	General	-	220	222
Transportation/Local Assistance				
(2660-101-042)	Special	33	35	20
Total, Debt Service		\$1,256	\$1,781	\$1,857
SUBVENTIONS:				
K-12 Apportionments:				
(6100-171-001)	General	\$10,425	\$8,905	\$7,160
County Offices:				
(6100-106-001)	General	124	99	45
Community Colleges:				
(6870-101-001)	General	1,529	1,076	539
Total, Subventions—Education		\$12,078	\$10,080	\$7,744
State-Local Realignment:				
VLF Account	Special	\$680	\$728	\$744
VLF Growth Account	Special	-	-	68
Tax Relief:				
(9100-101-001)	General	381	386	392
Renter's Credit	General	212	15	-
Local Government Financing:				
(9210-103-001)	General	5	7	5
(9210-603-001)	General	19	6	-
Shared Revenues:				
(9425-636-451)	Mobilehome License Fee	12	2	-
(9430-640-064)	Motor Vehicle License Fee	2,092	2,169	2,130
(9440-645-086)	Cigarette Tax	29	5	-
Total, Subventions—Other		\$3,430	\$3,318	\$3,339
MANDATES:				
K-12 Desegregation:				
(6100-114-001)	General	\$429	\$420	\$427
(6110-115-001)	General	46	47	48
K-12 Medicare	General	45	45	45
Contribution to STRS:				
(6300-602-001)	General	367	511	420
Community Colleges Medicare	General	5	5	5
Various Health and Welfare Federal Mandates	General	990	1,145	553
Total, Mandates		\$1,882	\$2,173	\$1,498
TOTAL EXCLUSIONS:		\$18,646	\$17,352	\$14,438
<i>General Fund</i>		15,782	14,395	11,458
<i>Special Funds</i>		2,864	2,957	2,980

